## PAPER MACHINERY CORPORATION TERMS AND CONDITIONS OF PURCHASE

1. GOVERNING PROVISIONS. This document is an offer by Paper Machinery Corporation

4. SHIPPING, PACKING AND RISK OF LOSS. The shipping terms for all goods purchased hereunder are FOB destination for domestic shipments and DDP destination, as that term is defined in *Incoterms 2010*, for international shipments

- 7. INDEMNIFICATION BY THE SELLER. The seller shall indemnify Purchaser, its successors, assigns, and customers (whether direct or indirect) against any and all losses, damages and expenses (including attorneys' fees and other costs of defending any action) which they, or any of them, may sustain or incur as a result of any claim of negligence, breach of warranty, personal injury or death, patent or trademark infringement, strict liability in tort or based on any other theory of law in connection with the goods/services furnished by the seller hereunder, or as a result of any claim that the goods furnished by the seller fail to conform to or comply with any federal, state or local laws, regulations or standards, or based upon or arising out of any construction, installation, services or facilities furnished by the seller under or in connection with any order.
- 8. PURCHASER'S DAMAGES. The seller shall be responsible for any and all losses, liabilities, damages and expenses, including incidental and consequential damages, and including attorneys' fees and other costs of prosecuting an action for breach, which Purchaser may sustain or incur as a result of any breach of contract.
- 9. PATENTS, TRADEMARKS AND COPYRIGHTS. The seller warrants that the sale or use of goods furnished hereunder will not infringe or contribute to infringement of any patent, copyright, trademark, trade secret or other proprietary right or subject Purchaser or its customers (direct or indirect) to royalties in the United States or elsewhere, and shall indemnify and save harmless Purchaser, its successors and assigns and its customers (whether direct or indirect), against any and all losses, damages and expenses (including attorneys' fees and other costs of defending any infringement action) which they, or any of them, may sustain or incur as the result of a breach of this warranty.
- 10. FAIR LABOR STANDARDS CERTIFICATE. The seller hereby certifies that all goods furnished hereunder shall have been produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the Administrator of the Wage and Hour Division issued under Section 14 thereof, and in accordance with all applicable state and federal laws and regulations governing general conditions for labor employed in the production of such goods.

## 11. NON-ASSIGNABILITY