

PAPER MACHINERY CORPORATION
TERMS AND CONDITIONS OF SALE - Form DB-97-1115

1. **CONTRACT FORMATION.** Issuance of any proposal by Paper Machinery Corporation ("Seller") is not an offer to make a sale, but a solicitation of an order. Seller shall have no obligation to make any sale unless and until it agrees to do so in a writing signed by an officer of Seller at Seller's home office in Milwaukee, Wisconsin, U.S.A. Any such agreement to sell is expressly conditioned upon Purchaser's assent to these terms and conditions. Purchaser will be deemed to have assented to these terms and conditions when: (a) Purchaser signs and delivers to Seller an acknowledgment copy of any of Seller's sales, quotation or order acknowledgment forms; (b) Purchaser has taken delivery of the whole or any part of the machinery ordered; or (c) Purchaser has otherwise assented to the terms and conditions hereof. No additional or different terms or conditions will be of any force or effect. Seller hereby objects to any such additional or different provisions contained in any purchase order or other communication heretofore or hereafter received from Purchaser.

2. **PRICES.** All prices quoted are payable in United States Dollars, and are Seller's prices for the machinery described with all of these terms and conditions, including the exclusive warranty and the various disclaimers and limitations of liability, enforceable against Purchaser. If Purchaser desires for Seller to provide a greater or additional warranty, and/or to be liable for some or all of the disclaimed or limited liability, Purchaser must notify Seller before Purchaser places its order. Seller will then make a new offer containing prices reflecting that additional exposure. Absent such notification, all of the terms in this form shall be enforceable. Purchaser understands that it is foregoing the possibility of, among other things, recovery of consequential damages from Seller and of indemnity for tort liability in exchange for Purchaser obtaining a lower sales price for the machinery ordered.

3. **TERMS OF PAYMENT.** Unless otherwise specified by Seller, payment is due, at Seller's option, either upon presentation of shipping documents or 30 days from date of invoice, subject to Seller's approval of Purchaser's credit. Seller may at any time change credit or payment terms or require payment in advance. If, in the judgment of Seller, the financial condition of Purchaser at any time does not justify continuing any terms of payment, Seller may require full or partial payment in advance. Invoices will be dated as of the time Seller is prepared to make shipment. Delays or deferments of delivery, for any reason, whether or not at the request of Purchaser, shall not extend the terms of payment.

Interest will be charged at the rate of 11% per month, or the highest rate permitted by applicable law (whichever is less) on accounts past due. Notwithstanding the above, at its option at any time, Seller may require Purchaser to make payment by irrevocable letter of credit, and may defer shipment or cancel any order if Purchaser does not promptly provide such a letter of credit. Any such letter of credit shall be issued for Seller's benefit by a prime U.S. bank, shall be subject to and governed by the Uniform Customs and Practice for Documentary Credits (ICC Publication No. 600, 2007 Revision), shall provide for payment against Seller's invoice and bill of lading, and shall be in form and substance satisfactory to Seller.

if provided to and accepted by Seller; and (b) is free from defects in materials and workmanship appearing within the first 6,000 hours of operation or one year following date of delivery (whichever expires first). Seller's obligation in this Section 12 is limited, however, to a refund of the purchase price or, at Seller's option, the repair or replacement of any machinery which is nonconforming or defective. Such credit, repair or replacement shall be Seller's sole obligation and Purchaser's exclusive remedy hereunder and shall be conditioned upon Seller's receipt of notice of any nonconformity within 10 days after receipt of shipment or, as the case may be, notice of any alleged defect within 10 days after its discovery and, at Seller's option, return of such machinery to Seller, FOB. Seller's Milwaukee, Wisconsin dock, for domestic shipments or, for international shipments, DDP Seller's Milwaukee, Wisconsin dock (as that term is defined in *Incoterms 2010*).

Seller's warranty obligations apply only to machinery which is properly installed, operated and maintained in accordance with Seller's instructions and operating manuals and under normal conditions and proper supervision.

Machinery or components supplied by Seller hereunder which are obtained by Seller from a third party supplier are not warranted by Seller in any way, but Seller agrees to assign to Purchaser any warranty rights in such machinery or components that Seller may have from the original manufacturer or third party supplier.

THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER REPRESENTATIONS, OBLIGATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AND SELLER EXPRESSLY DISCLAIMS AND EXCLUDES ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NEITHER SELLER NOR ANY OF ITS SUPPLIERS ASSUMES, OR AUTHORIZES ANY PERSON TO ASSUME ON ITS BEHALF, ANY OTHER WARRANTY OR OBLIGATION.

Any description of the machinery sold, whether in writing or made orally by Seller or its agents,

13. **COMPLIANCE WITH LAWS.** Seller certifies that the machinery sold was produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and all regulations and orders of the United States Department of Labor issued under Section 14 thereof.

14. **RETURNS.** Machinery sold may be returned to Seller only when Purchaser obtains in advance Seller's written permission, signed by duly authorized personnel of Seller. Returned machinery must be securely packaged and reach Seller without damage. Any cost incurred by Seller to put the machinery in marketable condition

WISCONSIN AND OF THE UNITED STATES OF AMERICA (WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAWS). THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL NOT BE GOVERNED BY THE PROVISIONS OF THE 1980 U.N. CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS.

23. **TOOLING.** Any dies, jigs or tools that Seller manufactures or acquires in connection with its performance described in these Terms and Conditions shall remain the property of Seller, notwithstanding any charges to buyer therefor. Any such charges convey to Purchaser the right to have the tools, dies or jigs used by Seller for performance hereunder, but do not convey title or right of possession or any other right.