

## BOY MACHINES INC. TERMS AND CONDITIONS OF SALE

APPLICABLE LAW, PRICING AND TERMS OF SALE: Orders resulting from this quotation shall not be binding upon either party, and no contract shall be concluded, until accepted in writing by Seller, and if accepted by Seller, only the terms and conditions contained herein, which take precedence over Buyer's additional or different terms and conditions (to which notice of objection is hereby given), plus such additional terms as may be confirmed in writing by Seller's acceptance shall apply. These terms and conditions shall be deemed incorporated by reference in, and a part of, all transactions and documents relating to purchases by Buyer from Seller, including, without limitation, quotations, purchase orders, order confirmations and invoices, whether or not any specific reference to these terms and conditions is made in any such transaction or documents, the construction and interpretation of which shall be governed by the laws of the State of Pennsylvania. The price and delivery specified are based upon acceptance of the quotation within thirty (30) days from this date. No quotations, representations or oral arrangements are binding unless confirmed in writing by an officer of Boy Machines Inc. If the stated price is less than Seller's price in effect at the time of shipment to Buyer, Seller reserves the right to demand payment of the higher price. If Seller makes such demand, Buyer can cancel the contract without cancellation charce

TERMS OF PAYMENT: Payment for the equipment will be 30% down payment at time of order, 60% before delivery and 10% due 30 days from date of invoice unless otherwise presented in the body of the quotation.

These terms of payment do not include any allowance for credit terms and shall apply notwithstanding any request for delay in delivery by Buyer.

Buyer will pay a late charge of one percent (1%) per month on any past due payments.

If full payment is not made on delivery, in order to secure the payment of any balance owed to Seller, Seller shall have a security interest pursuant to the Uniform Commercial Code in the machinery and equipment purchased by Buyer, including any additions, accessions, increases, substitutions, and replacements and all proceeds thereof. Seller may execute financing statements under the Uniform Commercial Code in the name of the Buyer. Without Seller's prior written consent, Buyer will not sell, lease, dispose of or permit the goods to be encumbered in any way. At Buyer's expense, the goods shall be insured by Buyer in favor of Seller against loss or damage for fire and other risks. Failure by Buyer to pay the balance, if any, of the purchase price for the goods when payable shall constitute a default entiting Seller to enforce all its rights and remedies, including all rights and remedies of a secured party under the Uniform Commercial Code, and in connection with any such enforcement, or in connection with any other action or proceeding by Seller to collect the balance of the purchase price, Buyer shall be liable for all costs and expenses, including counsel fees.

Seller reserves the right, without any liability whatever, to decline to provide further goods or services where Buyer is delinquent in payment of amounts due under this transaction or any other transaction between Buyer and Seller. Seller may, at its option, require Buyer to pay for goods or services in advance or on a C.O.D. basis.

Buyer shall be liable for all costs and expenses incurred by Seller in connection with the collection of past due amounts or the enforcement of any other rights arising out of this transaction, including reasonable counsel fees.

**TAXES:** Any sales tax, use tax, retailer occupation law or similar tax imposed by any governmental authority relating to the transaction between Seller and Buyer shall be paid by Buyer in addition to the stipulated price. If Seller shall be required to pay such tax, Buyer shall reimburse Seller therefore.

SHIPMENT: Time for delivery and/or shipment is stated according to Seller's best expectations, but is not guaranteed or a condition of this contract. Seller will use all reasonable diligence to meet the scheduled dates for shipment, but shall not be liable for any loss, damage, expense or charge resulting from delay in shipments.

Unless special shipping instructions are received from Buyer substantially before the shipment date, Seller will use its own judgment as to the best means of shipment and routing consistent with the nature of the equipment shipped and shipment schedule.

Upon delivery of the equipment to the carrier, F.O.B. Exton, PA, and/or other shipping points, title, possession and risk of loss of the equipment shall transfer to Buyer. Buyer shall pay all rigging and transportation charges and Buyer shall reimburse Seller for the cost of any transit insurance provided by the Seller.

**DIMENSIONS:** Statements as to performance are either based upon experience or Seller's reasonable expectations. All specifications, dimensions, weights, drawings, pictures and designs given by the Seller in quotations, proposals, advertising material or otherwise are approximate only and subject to change without prior notice or obligation. Seller reserves the right to correct clerical and/or typographical errors.

FORCE MAJEURE: In no event is Seller liable for damages arising from delay, default, or nonperformance caused by (1) any impossibility or unlawfulness of performance for any reason; (2) any interference (governmental or otherwise) with Seller's normal production of the goods sold or with the shipping thereof; (3) any contingency beyond Seller's control or the control of Seller's suppliers, including but not limited to future allocations of raw material (governmental or otherwise), or similar restrictions limiting Seller's production. Should any of the foregoing

situations arise, Seller shall have the right to cancel this contract as to any unexecuted part, without further liability upon returning to Buyer any advance payments on account of such cancelled part of the contract.

RISK PASSING: All risk of loss or injury to goods is assumed by Buyer after Seller had made delivery to carrier for shipment to Buyer, regardless of the terms of payment, or the form of bill of lading, or the mode of shipment, or who pays transportation charges, and if any delay or damage is caused by the carrier, notwithstanding that property and title in the goods may not have passed to the Buyer, and such delay or damage or contractual conflict with the carrier shall have no affect on the Contract between the Buyer and Seller, and that under no circumstances shall such occurrences be used to delay or stop payment for the goods. Without in any way limiting the foregoing, Buyer shall give notice to Seller and delivering carrier of any shortage of or damages (whether visible or not) to goods shipped (a) noting same on signed bill of lading and (b) sending written notice to Seller and delivering carrier within (3) days of receipt of delivery.

EQUIPMENT WARRANTY: The machinery and equipment, including the microprocessor control boards, sold hereunder are warranted to be free from defective material and workmanship for a period of twelve (12) months from the date of shipment. Service labor and travel costs are covered for a period of twelve (12 months from the date of shipment. All of the above are applicable provided the machinery and equipment are properly operated by the original Buyer under normal use and operation. If Buyer notifies Seller in writing of any claimed defect in the equipment and if, after appropriate reasonable opportunity to inspect and remedy any defect by Seller, the equipment is found not to be in conformity with this warranty, the Seller will, at its option and expense either repair the same or provide a replacement of defective goods, F.O.B. Exton, PA and/or other shipping points. This warranty is non-transferable and is limited to the original Buyer.

Limitations and Exclusions: "Normal use and operation" shall mean use consistent with standard industry practice, within rated capacities, at correct voltage, with normal preventative maintenance, and in accordance with the applicable maintenance and operating manuals, instructions, pamphlets or directions given or issued by Seller from time to time. Machine modifications which are not approved in writing by Seller void the terms of this warranty. This warranty does not apply to parts subject to wear or consumption, such as filter elements, fuses, lubricants, breakers, contactors, heater bands and relays. This warranty is void with respect to barrels, screws, screw tips and non-return valves of injection molding machines if these are used with other than unfilled plastics, general purpose or engineering, unless otherwise specified in writing by Seller.

This warranty does not apply to parts or components not manufactured by Seller or its affiliated companies or to parts not normally included in Seller's standard products and options. For parts or components not manufactured by Seller or its affiliated companies or non-standard parts or components specified by the original purchaser, the original purchaser shall have only the warranty provided by the manufacturer of such part or component. This warranty does not apply to damage to the machinery and equipment which is caused by defective or inappropriate replacement parts or components not manufactured by Seller or its affiliated companies. The warranty of control software is limited to defects which make it unsuitable for the original intention of the software and does not extend to revisions

The warranty for parts is subject to verification of an actual defect by return of the part to Seller or by inspection by authorized service personnel of Seller. Diagnosis beyond original start-up of the machine which does not result in the identification of specific warranty claims may result in service call charges at Seller's discretion. Parts replaced under the terms of this warranty are covered for the remainder of the applicable warranty terms but no less than 90 days.

The Foregoing warranty does not cover, and the seller makes no warranty with respect to:

- a) Failures not reported to Seller within the warranty period above specified.
- b) Failure or damage due to negligence, accident, abuse, improper operation or maintenance or abnormal conditions of temperature, moisture, dirt, corrosion or arcsion
- c) The cost of dismantling and installation of the equipment.

The Seller's liability under this warranty shall cease if the Buyer shall not have paid in full all invoices for goods and/or services or any other charges owed to Seller; the Seller's representatives are denied full and free right of access to the equipment; Buyer permits persons other than those approved or authorized by Seller to effect any replacement of parts or repairs to the equipment or Buyer uses any spare parts or replacements not approved by Seller.

This warranty is non-transferable and limited to the original Buyer, and is expressly null and void if the goods have been used contrary to the Seller's specific instructions and/or the directions enclosed, or have been subject to accident, alteration, unauthorized modification, abuse, misuse or failure due to lack of care or inadequate power, air or lubrication supplies, and specifically does not apply to normal wear from moving or bearing parts or failure due to lack of proper and/or normal maintenance adjustment.

THE WARRANTIES SET HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED BY LAW OR TRADE USAGE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. The Buyer'S SOLE AND EXCLUSIVE REMEDY on any claim of any kind, for any loss or damage arising out of, connected with, or resulting from the manufacturer, sale, delivery or use of the goods sold hereunder shall be for the repair or replacement of defective goods or components as provided herein and shall in no case exceed the cost or replacement or repair. IN NO EVENT SHALL THE SELLER BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NO LIMITED TO LOSS OF USE OR LOSS OF ANTICIPATED PROFITS ARISING OUT OF THIS CONTRACT OR A BREACH THEREOF. THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, MADE BY THE SELLER NO WARRANTIES, EXPRESS OR IMPLIED, MADE BY THE SELLER NO WORKMANSHIP SET FORTH ABOVE AND THE SELLER NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON OR FIRM TO ASSUME FOR IT ANY OTHER OBLIGATIONS OR LIABILITY.

The Seller shall have no liability in respect of any loss or damage to third parties caused directly or indirectly by the goods, and the Buyer shall at all times indemnify the Seller against any such loss or damage.

**SERVICE:** Service in the erection, demonstration or repair of any equipment, beyond that specifically mentioned as included in the price, will be rendered at the rate per man per hour which prevails at the time of such service, plus transportation and living expenses.

**CANCELLATION:** Orders are not cancelable by Buyer. However, Seller, in its discretion may accept cancellation in special circumstance. In the case, Buyer shall pay the following cancellation fee:

For Standard Equipment (catalogued equipment ordinarily carried in stock): 15% of purchase price.

For Special Equipment (manufactured for special requirements and not catalogued or in stock): that percentage of the purchase price which equals the percentage of completion.

**ARBITRATION:** All disputes hereunder, including the validity of the agreement, shall be submitted to arbitration by three arbitrators in Philadelphia, PA, under the Rules of the American Arbitration upon the award may be entered in any court having jurisdiction.

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