

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY

Baumer of America Inc.
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These General Terms and Conditions of Sale and Delivery (these "Terms") are applicable to all U.S., Canadian and Mexican customers (the "Customers" and each, individually, a "Customer") of Bäumer of America Inc., a New Jersey corporation (the "Company")

1. Terms and Conditions of Sale:

1.1. Company shall sell and deliver to Customer, and Customer shall purchase and accept from Company, the products (herein, the "Products") described on or in any confirmed order, agreement or quotation, or any combination thereof (the "Order"), pursuant to the terms and conditions of the Order and those specified below, which taken together shall constitute the entire agreement between Company and Customer regarding the Products (herein, this "Agreement").

1.2. No other terms or conditions shall be of any effect unless otherwise specifically agreed to by Company in a separate written agreement duly signed by an officer of the Company. Customer will be deemed to have assented to all Terms if any part of the Products is accepted by the Customer. If Customer finds any Term not acceptable, Customer must so notify the Company at once and must reject the Products delivered under this Agreement. Any additional or different terms or conditions contained in Customer's order or response hereto shall be deemed objected to by Company and shall be of no effect. No general terms and conditions of a Customer shall at any time form a part of the content of any contract or agreement between the Customer and the Company, even if they are not further expressly rejected by the Company.

1.3. Unless otherwise agreed in writing, all quotations for Products are valid for a period of three (3) months from the date of issue. Subsequent modifications in quantity or quality, if such are requested by Customer, generally will cause a modification of the quoted price. Drawings and samples enclosed with any quotation remain the property of Company. All drawings and samples shall be treated confidentially by Customer and must be returned to Company after usage.

1.4. No Order is binding upon the Company until the earlier of acceptance of the Order in writing or the delivery of the Products to the Customer. Writing shall include transmission by telefax or electronic means. Notwithstanding any prior acceptance of an Order by Company, Company shall have no obligation if the Customer is in breach of any of its obligations hereunder, or any other agreement between the Customer and Company, at the time Company's performance was due.

1.5 All verbal agreements concerning the terms of any Order, including agreements made by telephone, shall have no force and effect unless and until acknowledged by the Company in writing.

1.6. Customer shall bear all costs associated with the cancellation or modification of the Order.

2. Prices:

2.1. Unless otherwise stated in the Company's Order confirmation, all price quotations, excluding spare parts, are CIF (per Incoterms 2010) from Company's headquarters in Freudenberg, Germany, and only include costs for standard packaging, but no postage or other freight charges, customs duties, insurance or taxes, if any.

2.2 Unless otherwise stated in the Company's Order confirmation, all price quotations for spare parts are EXW (per Incoterms 2010) from Company's headquarters in Towaco New Jersey, U.S., and only include costs for standard packaging, but no postage or other freight charges, customs duties, insurance or taxes, if any.

2.3. The price of the Products shall be the Company's current prices in effect from time to time.

2.4 Company may, without notice to Customer, increase the price of the Products by the amount of any new or increased tax or duty (excluding franchise, net income and excess profits taxes) which Company may be required to pay on the manufacture, sale, transportation, delivery, export, import or use of the Products or the materials required for their manufacture or which affects the cost of such materials.

3. Terms of Payment:

3.1 Unless otherwise stated in the Company's Order confirmation, the amount invoiced shall be due and payable net thirty (30) days after the date of the invoice. Customer shall make payments by check or wire transfer to the account indicated on the invoice without a cash discount or offset and the Company shall not be required to incur any expense to receive timely payment in full as required by this Agreement.

3.2. Company may, without notice, change or withdraw extensions of credit at any time. If Company ceases to extend credit terms before shipment, Customer's sole remedy shall be cancellation of its order. If Customer does not receive notice before shipment, its sole remedy shall be rejection of the Products immediately upon delivery.

3.3. If the Customer fails to make payment on or before the date required, Customer shall pay interest to the Company at the rate of one point five percent (1.5%) per month or such lesser amount permitted by law. The specification or charging of interest shall not be deemed an agreement to extend credit.

3.4. If Customer fails to observe these Terms or the terms of any other agreements between Company and Customer, or if Customer becomes insolvent, all balances then due and owing to the Company shall become due immediately, notwithstanding any agreed upon payment periods. Any Orders that have been confirmed by the Company, but not yet filled, shall in such cases become cancelable at the sole discretion of Company.

3.5. Customer does not enjoy a right of set-off under any circumstances.

4. Delivery Terms:

4.1. Title to and risk of loss for the Products shall pass to Customer upon acceptance thereof by any common carrier at Company's site.

4.2. Customer shall pay all freight, transportation, shipping, insurance and handling charges, duties, and taxes, including any applicable VAT, sales, personal property, *ad valorem*, and other taxes, duties, levies or charges imposed by any governmental authority, irrespective of whether applicable law makes such items the responsibility of the buyer or seller, but excluding any taxes payable by Company with respect to its net income.

4.3. The Products shall be packaged as stated in Company's Order confirmation. Customer shall be exclusively responsible for, and shall provide Company with, any information necessary to comply with special labeling requirements applicable at Customer's place of business.

4.4. Customer, shall, subject to Company's available facilities at the shipping point, determine the type of transportation and shall notify Company thereof at the time Customer places each Order. If Customer shall fail to so notify Company, Company or its agent may select, at Customer's expense, any commercial air, ship, motor or rail carrier or any combination thereof for the transportation of the Products.

4.5. Company shall use its reasonable efforts to deliver the Products to Customer by the agreed upon date, however, time shall not be of the essence. Except in cases of Company's willful misconduct or gross negligence, Company shall not be liable to Customer for delays in delivery or damage to the Products while in transit, irrespective of whether Company or Customer determined the mode of transportation.

4.6. In cases of deliveries of Products manufactured to Customer's specification ("Special Orders") and unless otherwise agreed to in writing, all tools, models, plans, blueprints or other devices and/or documents used and/or developed by Company in order to fulfill any Order or Special Order are the property of the Company, even if the cost of development and/or manufacturing of such tools, models, plans, blueprints or other devices and/or documents was wholly or partially borne by the Customer.

5. Security Interest:

5.1. As security for the timely payment and performance of all Customer's indebtedness to Company, Customer hereby grants to the Company a first priority security interest in the Products following delivery thereof to Customer ("Security Interest"). Such Security Interest shall remain in force until payment in full of the entire purchase price for the Products and Services has been received by Company.

5.2. Customer hereby expressly authorizes Company to file a UCC Financing Statement to reflect Company's security interest in the Products. Customer shall cooperate in the respective filings and registrations which are required according to applicable local laws for an effective protection of Company's claim for payment of the Products, including, without limitation, any required documentation duly filed under the UCC in all jurisdictions as may be necessary to perfect Company's security interest and lien in the Products.

6. Limitation of Liability:

6.1. IN NO EVENT SHALL COMPANY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, REVENUE, GOODWILL OR USE, INCURRED BY CUSTOMER OR ANY THIRD PARTY, WHETHER IN AN ACTION IN CONTRACT, TORT, STRICT LIABILITY, OR IMPOSED BY STATUTE, OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

6.2. NOTWITHSTANDING THE TERMS AND CONDITIONS SET FORTH IN SECTION 6.1., COMPANY'S LIABILITY – WHETHER BASED UPON CONTRACT, TORT, EQUITY, NEGLIGENCE OR ANY OTHER LEGAL CONCEPT – SHALL IN NO EVENT EXCEED THE VALUE OF CUSTOMER'S ORDER, AS DESCRIBED ON THE ORDER FORM, OR THE ORDER VALUE FOR (1) CALENDAR YEAR, WHICHEVER AMOUNT IS LOWER. IT IS AGREED AND ACKNOWLEDGED THAT THE PROVISIONS OF THIS AGREEMENT ALLOCATE THE RISKS BETWEEN COMPANY AND CUSTOMER, THAT COMPANY'S PRICING REFLECTS THIS ALLOCATION OF RISK, AND BUT FOR THIS ALLOCATION AND LIMITATION OF LIABILITY, COMPANY WOULD NOT HAVE ENTERED INTO THIS AGREEMENT.

6.3. IN JURISDICTIONS THAT LIMIT THE SCOPE OF OR PRECLUDE LIMITATIONS OR EXCLUSION OF REMEDIES OR DAMAGES, OR OF LIABILITY, SUCH AS LIABILITY FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR DO NOT ALLOW IMPLIED WARRANTIES TO BE EXCLUDED, THE LIMITATION OR EXCLUSION OF WARRANTIES, REMEDIES, DAMAGES OR LIABILITY SET FORTH ABOVE ARE INTENDED TO APPLY TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW. CUSTOMER MAY ALSO HAVE OTHER RIGHTS THAT VARY BY STATE, COUNTRY OR OTHER JURISDICTION.

7. Force Majeure:

7.1. Company shall not be liable to Customer or any other person for any failure or delay in the performance of any obligation under this Agreement due to events beyond its reasonable control, including, but not limited to, fire, storm, flood, earthquake, explosion, accident, acts of the public enemy, wars, riots and public disorder, sabotage, strikes, lockouts, labor disputes, labor shortages, work slowdown, stoppages or delays, shortages or failures or delays of energy, materials, supplies or equipment, transportation embargoes or delays, acts of God, breakdown in machinery or equipment, and, except as otherwise set forth in this Agreement, acts or regulations or priorities of the federal, state or local governments.

7.2. Customer shall not be liable to Company or any other person for any failure or delay in the performance of any obligation under this Agreement due to events beyond its reasonable control, including, but not limited to, fire,

storm, flood, earthquake, explosion, accident, acts of the public enemy, wars, riots and public disorder, sabotage, strikes, lockouts, labor disputes, labor shortages, work slowdown, stoppages or delays, shortages or failures or delays of energy, materials, supplies or equipment, transportation embargoes or delays, acts of God, breakdown in machinery or equipment, and, except as otherwise set forth in this Agreement, acts or regulations or priorities of the federal, state or local governments.

7.3. When the event operating to excuse performance by either party shall cease, this Agreement shall continue in full force until all deliveries have been completed.

8. Miscellaneous Terms:

8.1. This Agreement and all claims arising out of or related to this Agreement, including tort claims, shall be governed by and construed in accordance with the laws of the state of New York, without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than New York. The application of the Convention on Contracts for the International Sale of Goods (CISG) is hereby excluded.

8.2. Any controversy or claim arising out of or relating to this Agreement, or the negotiation or breach thereof, shall be exclusively settled by arbitration in accordance with the International Arbitration Rules of the American Arbitration Association ("AAA"). The award shall be final and binding. Judgment upon the award rendered by the arbitrator or the arbitrators may be entered in any court having jurisdiction thereof. The arbitration shall be held in New York, New York, shall be conducted in the English language, and shall be conducted (i) if the amount in dispute is less than two hundred fifty thousand dollars (\$250,000), before a single arbitrator mutually agreeable to Company and Customer, or if no agreement can be reached, then selected by the AAA, or (ii) if the amount in dispute is two hundred fifty thousand dollars (\$250,000) or more, before three (3) arbitrators. The arbitrator(s) shall make detailed findings of fact and law in writing in support of his, her or their decision, and shall award reimbursement of attorney's fees and other costs of arbitration to the prevailing party, in such manner as the arbitrator shall deem appropriate.

8.3. If any provision contained in this Agreement is held by final judgment of a court of competent jurisdiction to be invalid, illegal or unenforceable, such invalid, illegal or unenforceable provision shall be severed from the remainder of this Agreement, and the remainder of this Agreement shall be enforced. In addition, the invalid, illegal or unenforceable provision shall be deemed to be automatically modified, and, as so modified, to be included in this Agreement, such modification being made to the minimum extent necessary to render the provision valid, legal and enforceable. Notwithstanding the foregoing, however, if the severed or modified provision concerns all or a portion of the essential consideration to be delivered under this Agreement by one party to the other, the remaining provisions of this Agreement shall also be modified to the extent necessary to equitably adjust the parties' respective rights and obligations hereunder.

8.4. In the event of a violation or threatened violation of Company's proprietary rights, Company shall have the right, in addition to such other remedies as may be available pursuant to law or this Agreement, to temporary or permanent injunctive relief enjoining such act or threatened act. The parties acknowledge and agree that legal remedies for such violations or threatened violations are inadequate and that Company would suffer irreparable harm.

8.5. The parties hereto are independent contractors and nothing in this Agreement will be construed as creating a joint venture, employment or agency relationship between the parties.

8.6. This Agreement shall apply to all sales of the Products to Customer.

8.7. This Agreement, including any Order confirmation attached hereto, contains the entire agreement of the parties with respect to the subject matter of this Agreement, and supersedes all prior agreements between them, whether oral or written, of any nature whatsoever with respect to the subject matter hereof. This Agreement is

binding upon the parties hereto, their successors and permitted assigns.

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MANUFACTURER’S REPRESENTATIONS AND WARRANTIES

Baumer of America Inc.
425 Main Road
Towaco, NJ 07082
USA

Phone: +1-973-263-1569
Fax: +1-973-299-8587
Email: info@baeumer.com
Website: www.baeumer.com

These Representations and Warranties are applicable to all end-customers (the “Customers” and each, individually, a “Customer”) purchasing products (the “Products”) manufactured by Baumer of America Inc. (the “Company”).

1. Warranty and Limitations:

1.1 Company warrants solely to the original purchaser of the Products that for the Warranty Period (as defined below), the Products will be free from defects in materials and workmanship under normal use, and will conform to Company’s published specifications of the Products. Notwithstanding the foregoing, Company retains its right to deviate from its published specifications due to the latest innovations and improvements in function, design and materials of the Products. The foregoing warranty is subject to the proper transportation, installation and use of the Products and does not include defects due to normal wear and tear or deterioration.

1.2. Upon delivery, Customer shall immediately inspect the Products for conformity and visible defects. Customer shall give Company immediate written notice of any non-conformities or visible defects regarding the Products and contact Company in writing concerning return or exchange, as the case may be.

1.3. Customer shall notify Company in writing of any defects of the Products. Company’s sole obligation under the foregoing warranty is, at Company’s discretion, to replace or exchange the Product or to refund the purchase price. Any replaced or exchanged Products shall be subject to the warranty set forth in 1.1., following the replacement or exchange. If Company has received notification from Customer, and no defects of the Product could be discovered, Customer shall bear the costs that Company incurred as a result of the notice.

1.4. With respect to orders made to custom, any defects of the Products caused by Customer’s specifications are excluded from the warranty set forth in 1.1.

1.5. Company also makes no warranty that the Products manufactured under an order made to custom do not infringe the intellectual property or other proprietary rights of any third party and Customer is solely responsible for assuring that such Products do not so infringe.

1.6 The “Warranty Period” begins after the operational handover or start of production and continues to be in effect for twelve (12) months for new machinery. Used machinery warranty is in effect for three (3) months.

1.7. Company does not authorize any person or party to assume or create for it any other obligation or liability in connection with the Products except as set forth herein.

1.8. All requests and notices under this Warranty shall be directed to:

Baumer of America Inc.
Attn. Customer Service
425 Main Road
Towaco, NJ 07082
USA

Phone: +1 973 263 1569
Telefax +1 973 299 8587

E-Mail: serviceusa@baeumer.com

1.9. THE WARRANTY SET FORTH IN SECTION 1.1 IS MADE IN LIEU OF ALL OTHER WARRANTIES (WHETHER EXPRESS OR IMPLIED), RIGHTS OR CONDITIONS, AND CUSTOMER ACKNOWLEDGES THAT EXCEPT FOR SUCH LIMITED WARRANTY, THE PRODUCTS ARE PROVIDED “AS IS.” COMPANY SPECIFICALLY DISCLAIMS,

WITHOUT LIMITATION, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, OF ANY KIND, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, AND THOSE WARRANTIES ARISING FROM A COURSE OF PERFORMANCE, A COURSE OF DEALING OR TRADE USAGE.

2. Limitation of Liability:

2.1. IN NO EVENT SHALL COMPANY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, REVENUE, GOODWILL OR USE, INCURRED BY CUSTOMER OR ANY THIRD PARTY, WHETHER IN AN ACTION IN CONTRACT, TORT, STRICT LIABILITY, OR IMPOSED BY STATUTE, OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. COMPANY'S LIABILITY FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL IN NO EVENT EXCEED THE PURCHASE PRICE OF THE PRODUCTS. IT IS AGREED AND ACKNOWLEDGED THAT THE PROVISIONS OF THIS AGREEMENT ALLOCATE THE RISKS BETWEEN COMPANY AND CUSTOMER, THAT COMPANY'S PRICING REFLECTS THIS ALLOCATION OF RISK, AND BUT FOR THIS ALLOCATION AND LIMITATION OF LIABILITY, COMPANY WOULD NOT HAVE ENTERED INTO THIS AGREEMENT.

2.2. IN JURISDICTIONS THAT LIMIT THE SCOPE OF OR PRECLUDE LIMITATIONS OR EXCLUSION OF REMEDIES OR DAMAGES, OR OF LIABILITY, SUCH AS LIABILITY FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR DO NOT ALLOW IMPLIED WARRANTIES TO BE EXCLUDED, THE LIMITATION OR EXCLUSION OF WARRANTIES, REMEDIES, DAMAGES OR LIABILITY SET FORTH ABOVE ARE INTENDED TO APPLY TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW. CUSTOMER MAY ALSO HAVE OTHER RIGHTS THAT VARY BY STATE, COUNTRY OR OTHER JURISDICTION.
