

## **palamides USA, Inc.**

### **General Terms and Conditions**

1. **EXCLUSIVE TERMS.** These General Terms and Conditions (“Terms”) are the only terms which govern the purchase of palamides USA, Inc. (“Seller”) products or services (“Product”) from Seller by buyer (“Buyer”), Buyer and Seller collectively referred to as “Parties”. Terms of sales herein are governed by INCOTERMS 2010. Notwithstanding anything herein to the contrary, if a written order confirmation covering the sale of Product has been executed by the Parties, the terms and conditions of that order confirmation shall prevail to the extent they are inconsistent with these Terms. Buyer expressly agrees to all Terms. Furthermore, Buyer agrees that Terms constitute the sole and exclusive agreement between Buyer and Seller. Terms may not be modified, waived, superseded, or rescinded except in writing signed by an authorized officer from both Parties.

2. **PRICES.** Prices are Ex Works Dieterich, IL at Seller’s warehouse and do not include federal, state or local taxes imposed on the Product or its sale or use. Such taxes, if any, shall be borne by Buyer. Unless Seller has stated in writing that a price is binding for a specified period not yet expired, prices are subject to change at any time prior to the time of sale.

3. **DELIVERY.** Unless otherwise specified, delivery of Product shall be Ex Works Dieterich, IL at Seller’s warehouse. Seller will use all reasonable diligence to meet the schedule dates for Product being ready for shipment, but does not guarantee any firm date. Seller will notify Buyer when Product is ready for shipment. Upon Product being ready for shipment, Seller shall not be liable for any loss, damage, expense or charge of any kind resulting from any delay of Product being taken over by Buyer or Buyer’s freight forwarder. In case of any delay of Product being taken over by Buyer or Buyer’s freight forwarder by more than 1 (one) week from Seller having notified Buyer that Product is ready for shipment, Seller is entitled to charge Buyer for the corresponding storage expenses, these charges not to be less than 0.5 (one half percent) per month of Product price.

4. **WARRANTY.** Seller’s sole warranties to Buyer for Product are as follows: 12-month mechanical parts warranty for Product, except for used equipment and services. Seller will repair or, at Seller’s option, replace any mechanical part (excluding wear and tear items) in any new equipment that does not conform to specifications or proves to be defective in material or workmanship under normal use (i.e. one-shift operation) within twelve (12) months from Seller having notified Buyer that Product is ready for shipment. 6-Month service labor warranty for Product, except for used equipment: For the first six months from Seller having notified Buyer that Product is ready for shipment, Seller will provide all service labor for diagnosis and repair or replacement of defective parts as described under the foregoing mechanical parts warranty.

5. **WARRANTY LIMITATIONS AND EXCLUSIONS.** The remedies set forth in Section 4 are the exclusive remedies in the event of any breach of the warranties set forth therein. The warranty specified in Section 4 will not apply if there is a delay in Buyer meeting any of its obligations, including but not limited to payment obligations as per Section 9 below. The warranties in Section 4, to the extent they relate to software (“Software”), are limited to defects which make the Software unsuitable for the original intention of the Software, and the remedies shall be limited to the modification or replacement of such Software to achieve the original intention, and do not extend to or include revisions or enhancements. “Normal use” shall also mean use consistent with standard industry practice, within rated capacities, at correct-

voltage, with normal preventive maintenance, and in accordance with the applicable maintenance and operating manuals. Machine modifications not approved in writing by Seller void the terms of the warranties specified in Section 4. The warranties in Section 4 do not apply to used equipment or to parts subject to wear or consumption. The warranties in Section 4 do not apply to parts not normally included in standard products and options. The warranty for parts is subject to verification of an actual defect by return of the part to Seller at Buyer's expense or by inspection by Seller's authorized service personnel. Diagnosis beyond the original installation and start-up of Product, 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 such warranty are covered for the remainder of the applicable warranty term, but no fewer than 90 (ninety) days, and will be shipped to Buyer, at Seller's expense, by standard ground transportation. Additional costs for any other shipping option chosen by Buyer shall be at Buyer's expense.

EXCEPT AS STATED IN SECTION 4, IT IS EXPRESSLY AGREED THAT THERE ARE NO WARRANTIES GIVEN BY SELLER, EITHER EXPRESSLY OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

6. NO CONSEQUENTIAL ETC. DAMAGES. Seller shall not be liable under any circumstances, whether for breach of warranty, delay in or failure of delivery or other breaches of contract, negligence or other tort, strict liability in tort, or any other theory of recovery, whether currently or in the future enacted or existing, for lost profits, damages for loss of production, business or reputation, or for any other indirect, incidental, consequential, exemplary, or punitive damages.

7. LIMITATIONS OF REMEDIES AND LIABILITIES. Buyer agrees that Seller's liability pursuant to any claim of any kind by affiliates or agents, for direct damages, whether directly or by way of indemnity or contribution, including but not limited to a claim in breach of contract (other than breach of warranty, for which remedies are limited by Section 5), negligence, strict liability, or any other theory of recovery, against Seller or any of its affiliates, shall be limited to the price attributable to the part which gives rise to the said claim.

8. INSTALLATION AND START-UP. To the extent that installation services are included in the scope of delivery, Buyer shall be responsible for receiving and unloading respective parts of Product, preparing the installation site, and providing all necessary media according to Seller's specifications. At Buyer's request, Seller will, as soon as reasonably possible, provide service technicians to perform the installation of respective parts of Product and assist Buyer in proper start-up of respective parts of Product, along with necessary training. If such start-up and training services require more than 2 (two) man days, or if thereafter any operating assistance is requested from Seller, Buyer shall be charged for the labor and travel time at standard rates in effect at the time such services are provided.

9. PAYMENT TERMS. The following payment terms will apply: (i) 30% (thirty percent) of the purchase price upon Buyer's acceptance of the corresponding quotation and Seller having accepted such purchase, (ii) 60% (sixty percent) upon Seller notifying Buyer that Product is ready for shipment, and (iii) 10% (ten percent) at the earlier of (a) within 7 (seven) days after installation, or (b) if installation is delayed beyond Seller's control, within 1 (one) month from Seller having notified Buyer that Product is ready for shipment. Payment is due within 30 (thirty) days from the date of Seller's invoice. If, in Seller's sole judgment, Buyer's financial condition changes after acceptance of the corresponding quotation, or if any undisputed invoice (or

undisputed portion thereof) on this or any other purchase by Buyer from Seller is not paid within 10 (ten) days after the due date, Seller may stop work until revised financial arrangements are made or payment of the past due amount is made, as the case may be. If any undisputed invoice (or undisputed portion thereof) on this or any other purchase by Buyer from Seller is not paid within 20 (twenty) days after the due date, Seller may charge, and Buyer agrees to pay, a late payment charge equal to 1.5% (one and a half percent) per month of the outstanding balance or the maximum rate permitted by law, whichever is less, from the due date until paid in full. Should it become necessary for Seller to retain third party support (e.g. attorney, collection agency) to enforce these Terms, then the prevailing party shall be entitled to reasonable third party's/parties' fees and court costs.

10. SECURITY. To secure the payment of (a) all amounts due in connection with the sale of Product to Buyer (whether under this or any other purchase order) and (b) all costs of collection of any such amounts or the enforcement of the security interest, including reimbursement of third party's/parties' fees and other expenses (collectively the "Secured Obligations"), Buyer hereby grants to Seller a first priority security interest in the Product, any subsequently delivered replacement or accessory components or parts, additions, or improvements, and proceeds resulting from any disposition of any of the same and any insurance proceeds payable resulting from any damage or destruction of any of the same (collectively, the "Collateral"), and such security interest shall be retained by Seller until all Secured Obligations have been fully performed. Until such time that Buyer fully performs such Secured Obligations (i) Buyer shall keep the Collateral at the location designated herein and not remove it without prior written consent of Seller; (ii) Buyer shall not assert against an assignee of Seller any claim or defense which Buyer might assert against Seller; (iii) Buyer shall maintain the Collateral in good condition and fully insured against casualty; and (iv) Buyer shall not cause or permit any prior, competing or subordinate interest, lien or claim on the Collateral, whether by consent or legal process, and shall obtain an executed waiver of landlord's lien or subordination agreement upon demand by Seller. Buyer acknowledges and agrees that Seller has the irrevocable power and right to sign up for insurance of Collateral at Buyer's expense unless Buyer has provided evidence to Seller that Collateral are sufficiently covered by adequate insurance, and to execute, deliver, and file, manually or electronically, all documents or instruments necessary or appropriate in order to perfect, continue, amend, and enforce the above security interest, including without limitation the giving of notice to other creditors in order to establish or enforce Seller's security interest.

11. SOFTWARE LICENSE. Software supplied with the Product ("Software"), whether provided in transportable media or embedded within the Product, shall remain Seller's property. Buyer will be granted a non-exclusive right to use Software only in the Product so designated by Seller. Unless being supplied with its associated Product hereunder, no Software, regardless of the form in which it is embodied when received by Buyer, shall be made available to third parties without Seller's prior written consent. The ownership of all Software at all times remains with Seller. In the event Buyer makes an unconsented use, duplication or transfer of any Software, Seller may immediately terminate Buyer's right of use granted, and Buyer shall, upon and in accordance with Seller's request, return or destroy all copies of Software then in Buyer's possession or under Buyer's control. Seller's right to terminate the right of use granted shall be in addition to Seller's other rights and remedies for unconsented use, duplication or transfer, including Seller's right to seek damages for same. In the event an unauthorized change or modification of Software affects the safety of Product, Buyer agrees to indemnify and save Seller and its affiliates harmless from and against any loss, damage, claim, expense or cause of action resulting from any personal injury or property damage resulting therefrom.

12. **FORCE MAJEURE.** Neither Seller nor Buyer shall be liable for any delay in performance or nonperformance which is due to war, fire, flood, acts of God, acts of third parties, acts of governmental authority or any agency or commission thereof, accident, breakdown of equipment, differences with employees or similar or dissimilar causes beyond reasonable control of the Parties, including, but not limited to, those interfering with production, supply or transportation of Product, raw material or components or inability to obtain on reasonable terms material, labor, equipment or transportation expense or cause of action resulting from any personal injury or property damage resulting therefrom.

13. **APPLICATIONS.** These Terms are intended to apply only to sales by Seller of Product intended to be installed, and in fact installed in the United States. If any Product sold hereunder is installed outside the United States, the warranties set forth in Section 4 shall be void and without force or effect, and the Product shall be deemed sold "as is."

14. **ASSIGNMENT.** Neither Seller nor Buyer may assign any of the rights and obligations hereunder without the prior written consent of the other party, provided, however, that Seller may arrange for all or certain parts of the purchase to be performed by affiliates or agents of Seller without obtaining Buyer's prior consent.

15. **MODIFICATION OF MATERIAL FURNISHED BY SELLER.** All catalogs, specifications, and other material of Seller are subject to modification by Seller and are not binding unless so stated in writing by Seller. Seller reserves the right to correct clerical and typographical errors at any time.

16. **GOVERNING LAW.** The interpretation, validity and effect shall be construed and determined in accordance with the laws of the State of Illinois, except that the provisions of the UN Convention on Contracts for the International Sale of Goods are excluded in their entirety.

17. **LITIGATION.** Any action by one party against the other party for breach of contract must be commenced within one year after the cause of action has accrued, and the exclusive jurisdiction for any such action shall be in the state or federal courts located in the State of Illinois. BOTH, SELLER AND BUYER HEREBY WAIVE THE RIGHT TO A JURY TRIAL.

18. **NOTICES.** All notices, request, consents, claims, demands, waivers and other communications hereunder ("Notice") shall be in writing and addressed to the Parties at the addresses set forth in the Order Confirmation or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by email, facsimile (with confirmation of transmission), or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

19. **RELATIONSHIP OF THE PARTIES.** The relationship between the Parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the Parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

20. **SEVERABILITY.** If any term or provision of the Terms is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other

term or provision of the Terms or invalidate or render unenforceable such term or provision in any other jurisdiction.