

TERMS & CONDITIONS

The following governs all equipment, services or other items of any kind (collectively "Items") sold or provided by Pack Leader USA LLC ("Pack Leader").

1. Pricing. Prices quoted are good for 30 days from date quoted, if shipment is made within 30 days of order. All taxes, transportation fees, license fees, custom duties and other charges of any kind shall be paid by Purchaser. If Pack Leader is required to pay any of the foregoing, Purchaser shall reimburse Pack Leader as invoiced.

2. Payment Terms. For orders to be delivered within the United States, payment terms will be 100% cash payable prior to shipping, unless different terms are specified in the proposal. No credit cards accepted for machine purchases.

3. Shipment; Cancellation. Prices are for delivery FOB Pack Leader's premises or (for international shipments) EXW (Ex-Works) as defined by Incoterms 2010 unless otherwise stated in the proposal. Customer assumes all risks, including (but not limited to) theft, confiscation, destruction, damage or loss during transit. Delivery period shall commence when Pack Leader receives complete specifications and/or applicable documents required to ship. Pack Leader may reclaim any goods delivered to the Purchaser or in transit if Purchaser fails to make payments due. Pack Leader may make delivery in installments, and a delay in one installment shall not relieve Purchaser of its obligations.

4. Title; Security Interest. Pack Leader retains all right and title in equipment and other Items until paid in full by Purchaser. Purchaser agrees to promptly execute any security agreement, financing statement, application, registration or other documents and to take any other action deemed necessary by Pack Leader to evidence or perfect Pack Leader's security interest. Purchaser shall keep equipment in good working order until purchase price is paid.

5. Risk of Loss. Risk of loss or damage shall pass to Purchaser FOB Pack Leader's premises. Purchaser shall provide and maintain at its expense insurance against loss, theft, damage or destruction of Items for full replacement value, with loss payable to Pack Leader or its assignee. Theft, confiscation, loss, destruction or damage to Items during shipment shall not relieve Purchaser of its duty to pay Pack Leader. Purchaser shall inspect all Items upon receipt and notify Pack Leader within 24 hours after delivery if there is evidence of shipping damage; failure to do so shall constitute a waiver by Purchaser of any shipping damage claim.

6. Return Policy. If Purchaser notifies Pack Leader within 72 hours of delivery that items are non-conforming or defective, Pack Leader shall have a commercially reasonable time to repair or replace them with conforming goods. If Pack Leader is unable to repair or replace such items, then the items may be returned to Pack Leader after Purchaser obtains a return authorization from Pack Leader. Purchaser is responsible for shipping costs for returned Items and will be charged a

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minimum 15% restocking fee. Failure to follow this Section 6 shall constitute acceptance of Items by Purchaser and a waiver of all related claims. Pack Leader reserves the right to refuse return of any Item.

7. Warranty. Workmanship, mechanical and electrical parts are warranted for one year from date of delivery, and wear parts such as belts, rollers, etc. are warranted for 90 days from date of delivery. Warranty is limited to repair or replacement of defective part or parts, and Purchaser shall be responsible for shipping and return shipping of Items needing warranty work to Pack Leader F.O.B. Grandview, MO, which is where all warranty work shall be performed. Purchaser's remedies shall consist solely and exclusively of those stated above, and Purchaser waives its rights to assert any failure of essential purpose in such warranty. This warranty shall be voided by (i) improper installation, use with inadequate or improper wiring, piping, ventilation, system design, inspection, testing or maintenance (ii) use of insufficient or unqualified personnel to install, operate or maintain Items, or (iii) exposure to excessive heat, moisture, dust, dirt, corrosion, or any other harmful condition.

8. Disclaimer of Warranties. EXCEPT FOR THE WARRANTY IN SECTION 7 ABOVE, PACK LEADER DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES FOR ANY ITEMS PROVIDED TO PURCHASER (INCLUDING ASSOCIATED SOFTWARE OR PARTS), WHETHER EXPRESS OR IMPLIED, INCLUDING THAT THE EQUIPMENT IS FIT

FOR A PARTICULAR PURPOSE OR THAT THE EQUIPMENT IS MERCHANTABLE.

9. Limitation of Liability. Pack Leader shall not be liable for any incidental, consequential, special, punitive, exemplary or indirect damages, demands, costs (including but not limited to attorneys' fees), lost profits or revenue, lost production, increased expense of operation or downtime arising out of any Item, including (but not limited to) loss of use or the cost to acquire substitute Items. Pack Leader's total liability to Purchaser for any claim or cause of action whatsoever shall be limited to the amounts paid by Purchaser to Pack Leader under this Agreement in the first year in which such claim or cause of action arose.

10. Indemnification. Purchaser will defend and indemnify Pack Leader against all claims (including Pack Leader's reasonable attorney fees and costs of defense) for (a) personal injury or property damage caused by Purchaser or its employees or agents, and (b) to the extent that equipment is provided according to Purchaser's specifications and/or drawings, any charge that said equipment infringes any patent or other right of any other person.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Kansas without application of conflict of law or choice of law rules. Any legal proceeding between Purchaser and Pack Leader shall be maintained solely in the Tenth Judicial District

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Court of Kansas located in Olathe, Kansas or the United States District Court for the District of Kansas located in Kansas City, Kansas, as applicable under principles of subject matter jurisdiction. Each party hereby consents to the sole jurisdiction of, and venue in, said courts.

12. Descriptive Literature; Substitutions. Catalogs, product brochures, and other illustrations are a general representation of Items, but shall not form part of the specifications or terms of sale for Items. Pack Leader reserves the right to make changes in design, specifications or materials in its discretion, based on factors such as (but not limited to) changes in availability of materials.

13. Export; Local Safety Standards and Regulations.

Shipments outside of the US are subject to compliance with the Export Administration Act and all other U.S. laws and regulations concerning exports. Purchaser agrees to comply with all export laws and regulations. Purchaser is responsible for compliance with applicable safety standards and regulations in locations where Items will be installed and used.

14. Force Majeure. Pack Leader shall not be liable for any delay or failure to perform caused by the occurrence of any event beyond its control including (but not limited to) war, sabotage, civil disobedience, failure or delay in transportation, acts of any government or agency, judicial action, labor dispute, fire, accident, explosion, quarantine, storms, flood,

earthquake, or acts of God, shortage of labor, raw materials, or machinery or technical failure.

15. Assignment. This Agreement may not be assigned, in whole or in part, by Purchaser without the written consent of Pack Leader.

16. Intellectual Property. Pack Leader retains all intellectual property rights (copyright, trademark or patent) in all documentation, designs, trademarks, inventions or modifications that it develops or uses with respect to the Items.

17. Complete Agreement. This Agreement (which is made up of the proposal, and any addendums thereto, and these Terms and Conditions) constitutes the entire understanding between the parties and supersedes all proposals, oral or written, and all other communications between the parties relating to the subject matter. Any modification to this Agreement must be in writing and signed by all parties to this Agreement. Any terms which differ in any manner from or are in addition to the provision(s) of this Agreement, other than approved addendums thereto, shall be of no force or effect

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Terms and Conditions: This proposal and all items provided here are subject to the Terms and Conditions, which are attached to this proposal and incorporated herein by reference.

Terms of Sale: Terms of sale are set forth in the attached Terms and Conditions, unless otherwise specified here.

Title of Goods: All equipment detailed in this proposal will remain property of Pack Leader USA until order is paid in full. Should payment not be made, or delay in payment occurs, we reserve the right to cancel or to retrieve the goods sold.

Taxes: All prices contained herein are in U.S. Dollars and do not include taxes. Purchaser is responsible for any local, state or federal taxes. Purchases and shipments that are destined for countries other than the United States do not include duties or applicable fees. Purchaser is responsible for all duties and fees that apply.

Installation Service: All Pack Leader systems are pre-set and quality checked at our showroom and training center in Grandview, Missouri. In order to minimize costs and time for both parties we ask that you set a date and have your engineering team and selected personnel available for testing and approval. If installation is required at your facility, our rate is \$895.00 daily, plus all travel expenses.

Service Utilities: The labeling system has been designed to provide optimum performance using 110vac, 60hertz, and single-phase current supply. Voltage should be maintained within normal limits of + 10 volts for best results.

Shipment: Proposed labeling system will be shipped after complete testing by our in-house service technician. Pack Leader USA requires receipt of 10 of each product sample and roll of labels (min. 500). Order will be moved into production only after 50% down payment is received and all product samples/labels are received.

Sample Testing: We require all samples that will be run on the machine. We will not guarantee a product to label properly until sample testing is completed.

Tolerances: Product to be labeled must be free of any contamination or defects that would disrupt the pressure sensitive label from being applied properly. Labels are to be die-cut in roll-form. Rate of application will be dependent on product shape, label size and construction, and product size. Application tolerances generally will be within + 1/32" exclusive of product and label variations. Most product containers vary to some small degree in manufacturing that may translate to application need.

Change Order Fee: A \$295 fee will be charged for any changes made to the order once processed.

Cancellation of Order: If an order is cancelled after down payment is received and processed, a 25% restock fee will be applied.

Acceptance: This proposal is firm for acceptance within 30 days. All purchase orders are subject to acceptance by Pack Leader USA.