

Closure Systems International

Machinery Division

Terms and Conditions

CLOSURE SYSTEMS INTERNATIONAL, INC. ("CSI" or "SELLER") PROVIDES SPARE PART and MACHINE PURCHASE CAPABILITY SUBJECT TO THE FOLLOWING CONDITIONS. IF YOU ("PURCHASER") PLACE AN ORDER, WHICH IS ACCEPTED BY CSI, THAT ORDER WILL BE SUBJECT TO THESE TERMS AND CONDITIONS. THESE TERMS APPLY EXCLUSIVELY WITHOUT REGARD TO ANY ADDITIONAL OR CONFLICTING TERMS CONTAINED IN ANY FORMS OR DOCUMENTS EXCHANGED IN SUPPORT OF AN ACCEPTED ORDER. ANY ADDITIONAL OR DIFFERENT TERMS IN THE PURCHASER'S FORM ARE HEREBY DEEMED TO BE MATERIAL ALTERATIONS AND NOTICE OF OBJECTION TO THEM AND REJECTION OF THEM IS HEREBY GIVEN. BY PLACING AN ORDER THROUGH THIS FACILITY YOU AGREE TO THESE TERMS AND CONDITIONS.

1. WARRANTY: (a) Seller warrants to Purchaser that goods of its own Manufacture will, at the time of shipment, conform to the description on the face hereof and be conveyed with good title thereto, free from security interests, liens and encumbrances unknown to Purchaser. Seller also warrants goods manufactured by Seller to be free from defects in material and workmanship for a period of one (1) year from the date of shipment if properly installed and maintained and if operated under normal conditions. In the event that its Products fail to perform in such a manner, Seller will repair or replace, at its sole option, the Products or any part of the Products proven to Seller's satisfaction to be defective; provided, however, the defective Products are returned, upon request, to Seller's plant in

Crawfordsville, Indiana, freight or other transportation charges prepaid. In the event Purchaser claims that the Products are defective, it must allow Seller's personnel access and permission to inspect the Products at their site of installation or use.

(b). Seller makes no warranty that the goods shall be merchantable or fit for any particular purpose, seller makes no other warranty, expressed or implied, except such as is expressly set forth herein. (c) **Seller makes no warranty whatsoever with respect to goods manufactured by independent suppliers. Warranties with respect to such goods are limited to those offered by such suppliers, which are transferable.** (d) This warranty extends only to the original Purchaser, and does not cover damage or loss resulting from misuse, accident, neglect, improper installation, repair or maintenance. This warranty does not cover Products modified, altered or changed outside of Seller's plant in Crawfordsville, Indiana without the prior written consent of Seller. Any unauthorized modification, alteration or change of or to the Products voids the Warranty set forth herein.

2. LIMITATION OF LIABILITY: (a). Seller's liability and Purchaser's exclusive remedy for any tender of nonconforming or defective goods or breach of warranty, except as to the warranty of non-infringement which is set forth in paragraph eight below, is expressly limited to Seller's choice of (1) repair of non-conforming or defective goods, (2) the replacement thereof with conforming goods at the trade term point designated hereunder, or (3) the repayment of that portion of the purchase price represented by non-conforming or defective goods. Such repair, replacement, or repayment will be made only upon return of the non-conforming or defective goods, which may be returned at the cost of Seller only after inspection by Seller and receipt by Purchaser of definite shipping instructions from Seller. (b) Purchaser shall have fifteen (15) days from receipt of any goods provided hereunder to inspect such goods and determine if the goods are non-conforming or defective, or whether any shortages exist.

If Purchaser wishes to make a claim for non-conforming or defective goods, or any shortages, Purchaser must notify Seller in writing prior to the expiration of the fifteen (15) day inspection period and permit inspection by Seller of such goods. No goods may be returned without prior written authorization from Seller. (c) Seller shall not be liable for any incidental, consequential, indirect, special, contingent or punitive damages: (1) any breach of warranty, except as to the warranty of non-infringement which is set forth in paragraph eight below, whether based on theories of breach of warranty, breach of contract, tort, strict liability or otherwise; (2) the tender of defective or non-conforming goods; or (3) breach of any other provision of this agreement. In any event, Seller's liability shall not exceed the purchase price of the goods on which such liability is based.

3. PAYMENT: Unless otherwise agreed between Purchaser & Seller, prices are FCA CRAWFORDSVILLE, IN, unless specified otherwise on the commercial invoice, and Purchaser shall reimburse Seller for all taxes, excises, duties, fees or other charges which Seller may be required to pay to any Federal, State, or Local government upon the production, sale documentation, delivery and/or transportation of the goods sold hereunder. CSI requires that Purchaser shall have established and maintain a satisfactory credit history with Seller. Payment terms are as follows: Payment in full is due net-forty (40) days, unless specified otherwise on the commercial invoice, from the date of Seller's shipment invoice. Orders over \$50,000 require a 33% (or 1/3rd) down payment due upon receipt of down payment invoice, 33% (or 1/3rd) due 60 days prior to ship date and final 33% (or 1/3rd) due forty (40) days after ship date. Seller reserves the right to suspend production of goods until deposit invoice is paid. Purchaser shall incur interest at the rate of U.S. Prime + 4% per year on all payments received beyond stated terms.

4. RETURNED GOODS: Purchaser agrees not to return items without proper paperwork to accompany shipment. Purchaser must contact

Customer Service representative to authorize return and request returned goods authorization (RGA) number and required shipping documents to meet import/export compliance. Shipments returned without proper authorization or lack of proper paperwork as outlined above would be rejected and returned to purchaser and all expenses incurred with shipment will be the responsibility of the purchaser.

5. CANCELLATIONS: Purchaser may only cancel or terminate this order, in whole or in part, upon the written consent of Seller. In the event of cancellation, Purchaser shall pay a cancellation for equipment of: 35% of the total purchase price when up to 25% of the scheduled lead-time for shipment has elapsed; 60% of the total purchase price when up to 50% of the scheduled lead-time for shipment has elapsed; 85% of the total purchase price when up to 75% of the scheduled lead-time has elapsed; and 100% of the total purchase price after the expiration of more than 75% of the scheduled lead-time has elapsed; as liquidated damages and not as a penalty.

Purchaser shall pay a cancellation for spare parts of: fifteen percent (15%) of the list price of the item(s) being canceled. Items that can be diverted to other immediate use may be canceled and the fifteen percent (15%) cancellation fee will apply. Items that cannot be diverted to other immediate use will incur a cancellation fee that is equal to the total dollar value of the parts.

NOTE: FULL CANCELATION FEE EQUAL TO THE TOTAL DOLLAR VALUE OF PARTS WILL BE CHARGED FOR ANY ORDER OF \$200 OR LESS.

6. RISK OF LOSS, OWNERSHIP AND TITLE: Unless otherwise agreed in writing and documented between Purchaser and Seller, title, ownership, right of possession and risk of loss with respect to the goods pass to Purchaser at the point Seller tenders the goods/ load to a carrier. Until such time as Seller has received full payment for goods sold hereunder, Seller shall have available all rights at law or equity to a secured seller, including the right to

enter upon the premises where such equipment shall be located for purposes of removing same, or rendering it inoperative, and all such rights shall be cumulative.

7. DELAYS: Seller shall not be responsible for any delays in the performance of this order or liable for any loss or damages resulting from any delays. If a specific shipping date is subsequently agreed by Seller and documented in writing, either manually or electronically, Seller shall use reasonable efforts to meet such shipping date, but shall have no liability to Purchaser if unable to do so, including without limitation, liability for incidental and consequential damages for delays in delivery. Seller will not be liable for delays in filling this order or failure in the performance of any of its obligations hereunder caused by accidents, differences with workmen, shortages of labor, materials, fuel, power fires, floods or other act of God, acts or omissions of Purchaser, priorities required, requested or granted for the benefit of the Federal or any State government, restrictions imposed hereunder by Federal or State legislation or regulators there under, or any cause, whether similar or dissimilar to those enumerated.

8. INFRINGEMENT: Purchaser agrees to indemnify, defend hold harmless Seller, its officers, directors, shareholders, employees, representatives, subsidiaries and affiliated companies, (collectively "Indemnities") from and against all liabilities, costs, claims, penalties, forfeitures, causes of action, suits and the costs and expenses incident thereto (including costs of defense, settlement, and attorneys' fees, including the costs of attorneys in the employ of Indemnities), which Indemnities may suffer, incur, become responsible for or pay out as a direct or indirect infringement of any intellectual property rights, including infringement of any patents or copyrights by reason of the nature, form or condition of any design, plan, drawing, specification, material, process, article or machine supplied by Seller in the performance of the Contract or by reason of the use, sale, offer to sale, and/or import by

Purchaser of any such design, plan, drawing, specification, material, process, article or machine.

9. AFFILIATES: Part of all of this order may be performed and part of all of the rights hereunder against Purchaser may be enforced by Seller or by any one or more of the persons affiliated with Seller

10. INSTALLATION: Unless otherwise indicated, the quoted prices do not include installation or other services, which may be provided by the Seller. If such services are provided by Seller upon Purchaser's request, Purchaser shall be charged in accordance with Seller's prevailing schedule of charges for the applicable services. If Seller's personnel will be working in an area of purchaser's plant with union personnel, Purchaser must make all necessary arrangements for Seller's personnel to perform installation work in harmony with local unions and applicable laws. Purchaser must secure all applicable building permits and pay all applicable fees and charges prior to Seller performing any installation work. No installation or other services will be provided unless it is a line item on current order or is covered by a separate order accepted by Seller.

11. TRADE TERMS: The trade terms used herein (for example "EX WORKS") shall have the meaning defined by "Incoterms 2000" published by the International Chamber of Commerce, except as modified herein.

12. ARBITRATION: one or more arbitrators appointed in accordance with said rules shall finally settle all disputes arising in connection with the present contract under the Rules of Conciliation and Arbitration of the International Chamber of Commerce.

13. SAFEGUARDING: Purchaser assumes and shall bear all responsibility to order, install, and use adequate and sufficient safeguards, work handling and safety devices to fully protect the operator and any other user of the goods sold hereunder at all times in accordance with legal requirements under applicable Federal, State and Local laws and codes and industry accepted standards. Seller shall have no liability to Purchaser whatsoever for the

failure of Purchaser to order, install or use such safeguards, work handling tools or safety devices and Purchaser agrees to indemnify defend and save Seller harmless from all liabilities, claims, demands, losses and expenses (including reasonable attorney's fees) resulting from failure to order, install and use such safeguards, work handling tools or safety devices.

14. INDEMNITY: Other indemnity provisions notwithstanding, Purchaser shall release, hold harmless, indemnify and defend Seller from and against liabilities (including without limitation liability for negligence or strict liability), losses, claims, suits and costs on account of personal injuries (including death), or property loss, or damage to others caused by, arising out of, or relating to the design of goods supplied hereunder or the design of packages or containers in which goods supplied hereunder are shipped, if such goods, packages or containers are made in compliance with the Purchaser's designs or specifications or arising out of or relating to any modifications, alterations or changes by Purchaser of the goods supplied hereunder.

15. PROPRIETARY AND TRADE SECRET INFORMATION: Purchaser hereby acknowledges that all design information, concepts, specifications, drawings and descriptions or illustrations, assistance, know-how and all other information furnished by Seller hereunder is confidential and proprietary to seller, and shall be treated as such by Purchaser. All such information may not be copied or duplicated in any way and must be returned by Purchaser upon demand of Seller. Purchaser shall not disclose any such information to anyone nor use it for any purpose other than for its own operations. Purchaser shall implement sufficient security measures to protect Seller's proprietary interests as described herein.

16. OTHER: (a) All technical advice or assistance furnished by Seller to Purchaser with regard to use of goods sold hereunder is provided gratis, and Seller assumes no obligation or liability for such advice or assistance given or results obtained. (b) If Purchaser is unable to accept equipment on schedule and request postponement of delivery, Purchaser shall pay Seller for all

storage and handling charges for equipment after the first scheduled delivery date, plus a service charge of 1% (1 percent) per month of the purchase price of such equipment.

17. Electronic Commerce: At Sellers request, Purchaser and Seller will facilitate business transactions by electronically transmitting data. Any data digitally signed pursuant to this section and electronically transmitted will be as legally sufficient as a written, signed, paper document exchanged between the parties, notwithstanding any legal requirement that the data be in writing or signed.

18. GOVERNING LAW: These Terms and Conditions shall be governed by and construed under the laws of Indiana. Excluding those provisions relating to choice or conflict of law and the UN Convention on Contracts for the International Sale of Goods.

(Date: July 2001, last revised April 2009)