

GENERAL TERMS AND CONDITIONS

LOGOMAT AUTOMATION SYSTEMS, INC.,
2595 Arbor Tech Drive, Hebron, KY 41048

1. OFFERS, CONCLUSION OF CONTRACT

- (1) Our offers are made subject to Order Confirmation, and these General Terms and Conditions are incorporated into the Order Confirmation Agreement. If the Order Confirmation Agreement is not signed by Purchaser, these General Terms and Conditions shall still remain in effect.
- (2) These General Terms and Conditions apply to any contract. Purchaser's General Terms and Conditions do not apply even if we do not expressly oppose them.
- (3) A contract has been concluded with legal effect only after our written agreement to order.
- (4) Modifications of and/or supplements to the contractual terms shall not be valid unless confirmed in writing.
- (5) Documents pertinent to our offers (e.g. photos, drawings, specifications of weights and measures) are non-committal, unless we have expressly confirmed them in writing as binding.
- (6) We reserve the title to and copyright in our estimates, drawings and other documents; purchaser shall only make them accessible to third parties after having obtained our written approval (prior consent). The same applies to us concerning purchasers plans, drawings and the like which the purchaser has expressly defined as confidential.

2. PRICES, PAYMENT, DEFAULT, PROHIBITION OF COMPENSATION AND /OR RETENTION

- (1) Specific payment terms shall be set forth in the Order Confirmation Agreement. If the parties do not execute an Order Confirmation Agreement, payment shall be due as a condition to shipment of the goods and if goods are shipped prior to our receipt of payment, payment shall be due immediately thereafter.
- (2) If delivery is delayed due to Purchaser's breach, request or fault, payment shall be become immediately due at such time unless agreed in writing by us to the contrary and storage charges shall be due as described below.
- (3) Our prices are given in US Dollars (USD), and payment shall be due in US Dollars (USD) at our place of business without any deduction.
- (4) Bills or checks are only accepted in payment and subject to unlimited discountability. Discount charges and stamp duties on bills shall be borne by purchaser. Even if we do not take a bill on discount our claim shall bear usual bank interest during maturity. We are not responsible for punctual presentation, protest, notification or refusal in case of non-payment.
- (5) Delinquent amounts shall bear interest at the rate of prime (per Wall Street Journal) plus 4% or, if less, the maximum rate permitted by law. In addition, we shall be entitled to call in the debts due by purchasers even despite their having been deferred and/or secured by discountable bills. In that case we may at the same time withdraw from the contract or claim damages for non-performance of the contract and make further deliveries conditional upon purchaser's advance payments. We may also, among other remedies permitted by law, terminate our agreement with Purchaser or suspend further deliveries with Purchaser. Purchaser shall be liable for all expenses attendant to collection of past due amounts, including reasonable attorney's fees.
- (6) Set-off and/or retention of payments shall not be permitted under any circumstance.
- (7) Freight charges may include shipping and handling charges, and Purchaser shall pay all such charges.

3. BASIS OF THE CONTRACT

Is purchaser's unlimited credit-worthiness. If purchaser's financial situation deteriorates, especially if bankruptcy or receivership proceedings are opened or a bill or check is protested, we shall be entitled either to claim advance payments or to withdraw from the contract.

4. DELIVERY TIMES AND DATES, STORAGE CHARGES

- (1) Delivery times and dates are subject to confirmation
- (2) Any event beyond our control such as force majeure (i.e. war, blockade, fire, riot, strike, lock-out, interruption of operation in our or our supplier's or forwarding agent's plants) or unpredictable official measures authorize us either to withdraw from the contract or to perform partial deliveries as far as possible or to prolong the delivery time by the period of impediment.
- (3) If we default purchaser may withdraw from the contract if we have not cured the default by effecting delivery within a respite of at least four weeks. **In such cases Purchaser may claim damages only if he proves our wrongful intent or gross negligence.**
- (4) If a delivery is delayed due to purchaser's request or fault, we shall be entitled to claim storage fees amounting to 1/2 per cent of the amount invoiced for each commenced month starting one month after notification of the readiness for delivery.

5. **PASSING OF RISK, TRANSPORT INSURANCE**

- (1) The risk shall pass onto purchaser when the goods leave our works or storehouse; this shall also apply in case of delivery freight prepaid.
- (2) If delivery is delayed due to purchaser's request or fault the risk shall pass onto purchaser when the notification of the readiness for delivery arrives.
- (3) Insurance against damages done on transport shall be effected only at purchaser's request and expense.

6. **INSTALLATION**

- (1) If under the contract we carry out the installation and putting into operation of the machinery and/or other equipment delivered by us we shall provide mechanics whose expenses, especially those for traveling, working and waiting time as well as for redemption, shall be borne by purchaser.
- (2) Purchaser shall put at our disposal free of charge any necessary equipment and lifting units as well as sufficient additional workers.
- (3) Purchaser shall be responsible that any necessary brickwork, concrete construction and chiseling work has been carried out so as not to impede the immediate start of the installation. Purchaser shall provide sufficient electrical power at the building site, suitable and sufficient storage place as well as proper approaches for heavy vehicles.

7. **RESERVATION OF TITLE**

- (1) The goods delivered shall remain our property until the complete payment of the stipulated price and any subsidiary claim (in case of payment by check or bill until their clearance) has been effected and any claim resulting from the business relations has been settled. In case of current account, the reservation of title serves as security for the balance.
- (2) Treatment or processing of goods delivered and still owned by us shall always be carried out on our behalf, however without any commitment on our side. In case that by linking them with other objects purchaser acquires ownership or joint ownership in the new object, he hereby assigns his ownership share to us; he shall keep the object on our behalf free of charge in a business-like manner.
- (3) If by rigid fastening to the foundations the goods become property of the landowner, purchaser hereby assigns to us by way of security his pro rata claim on the owner or landlord of the building under construction. We hereby accept this assignment.
- (4) If purchaser sells the goods to a third party, PURCHASER'S claim on the contracting party is hereby assigned to us until he has effected all payments under the contract concluded with us. We hereby accept this assignment.
- (5) As long as the reservation of title is valid purchaser shall neither pledge the goods nor transfer ownership thereof by way of security. If the goods are sold on credit -irrespective of their condition - purchaser's claim shall be assigned to us by way of security. We shall be entitled to inform the third party of the assignment, if purchaser comes in default or a reduced credit-worthiness or solvency arises. If a third party seizes or confiscates the goods sold subject to the reservation of title, purchaser shall notify us accordingly without delay confirming it in writing.
- (6) The assertion of the reservation of title shall not be considered as withdrawal from the contract.

8. **WARRANTY/INDEMNITY**

- (1) Purchaser shall check the goods immediately after their arrival. Complaints shall be made in writing within one week after arrival; complaints about concealed defects shall be made within three days after their ascertainment. The warranty does not apply to complaints made beyond these designated time periods. At the same time a complaint is made we shall be given the opportunity to inspect the goods without delay. Warranty does not apply if the goods have not been properly stored or maintained; any tampering by third parties shall entail the exclusion of warranty. Warranty shall also be excluded if purchaser himself repairs the goods or has them repaired without our approval. Complaints shall be excluded once processing or treatment has been commenced. In case of a well-founded complaint we shall either carry out repairs or an exchange. Subject to Section 9, Purchaser shall be entitled to further claims for damages only in cases where wrongful intent or gross negligence on our part has been proven. Any warranty claim shall become barred six months after the latter of (i) the arrival of the goods or (ii) the termination of the installation.

9. **LIMITATION OF LIABILITY PURCHASER'S EXCLUSIVE REMEDIES HEREUNDER SHALL BE AT OUR OPTION, REPAIR, REPLACEMENT OF GOODS OR PROGRAMS OR CORRECTION OF ERRORS AS SET FORTH ABOVE OR MONEY DAMAGES (AS LIMITED HEREUNDER). OUR TOTAL LIABILITY FOR ANY AND ALL LOSSES AND DAMAGES ARISING OUT OF ANY AND ALL CAUSES WHATSOEVER INCLUDING, WITHOUT LIMITATION, DEFECTS IN THE GOODS OR IN ANY SYSTEM AND/OR PROGRAMS (WHETHER SUCH CAUSE BE BASED IN CONTRACT, PATENT OR COPYRIGHT INFRINGEMENT NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) SHALL IN NO EVENT EXCEED THE PURCHASE PRICE OF THE GOODS, OR SERVICES PROVIDED IN RESPECT OF WHICH SUCH CAUSE ARISES, OR AT OUR OPTION, THE REPAIR, CORRECTION OR REPLACEMENT OF SUCH GOODS, OR SERVICES OR PROGRAMS OR THE REMEDYING OF ANY INFRINGEMENT. IN NO EVENT SHALL WE BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES RESULTING FROM ANY SUCH CAUSE. THE TERM "CONSEQUENTIAL DAMAGES" SHALL INCLUDE BUT NOT BE LIMITED TO, LOSS OF ANTICIPATED PROFITS, REVENUE OR USE AND COSTS INCURRED INCLUDING WITHOUT LIMITATION FOR CAPITAL, FUEL AND POWER, AND CLAIMS OF PURCHASER'S CUSTOMERS. WE SHALL NOT BE LIABLE FOR, AND**



PURCHASER ASSUMES LIABILITY FOR, ANY PERSONAL INJURY AND PROPERTY DAMAGE CONNECTED WITH THE HANDLING, TRANSPORTATION, POSSESSION, USE OR RESALE OF THE GOODS, SYSTEMS AND/OR PROGRAMS. IF WE FURNISH TECHNICAL OR OTHER ADVICE TO PURCHASER, WHETHER OR NOT AT PURCHASER'S REQUEST, WITH RESPECT TO THE GOODS, SUCH ADVICE SHALL BE MADE IN GOOD FAITH WITH CARE AND TECHNICAL COMPETENCE IN ACCORDANCE WITH GENERALLY ACCEPTED INDUSTRY PRACTICES (BUT NO OTHER WARRANTY OR GUARANTEE), AND PURCHASER ASSUMES ALL OTHER RISKS OF SUCH ADVICE AND THE RESULTS THEREOF.

10. APPLICABLE LAW, JURISDICTION, AND PLACES OF PERFORMANCE

- (1) This Agreement shall be construed and performed in accordance with the Laws of the State of Kentucky. The Courts of Boone County, Kentucky, shall have sole venue and jurisdiction over all matters arising therefrom, and the parties hereby waive any objection to venue or jurisdiction.
- (2) As to our deliveries the place of performance shall be the place of shipment. As to purchaser's payments the place of performance shall be Hebron, KY.

The parties hereto have executed these General Terms and Conditions as of the date set forth below.

LOGOMAT AUTOMATION SYSTEMS, INC.

[PURCHASER]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____