



INSITE Payment Terms

Payment to INSITE Packaging Automation shall be as specified below and in the currency of the United States of America. The scheduled payment due dates will not change if delays in the schedule are caused by Buyer delays in supplying material or information, shipment, or startup and acceptance. Our standard payment terms are:

- ✓ Fifty percent (50%) due with order.
- ✓ Forty percent (40%) upon completion of equipment at INSITE.
- ✓ Ten percent (10%) upon machine acceptance. The balance becomes due within ninety (90) days of factory completion in the event of Buyer caused delays.

INSITE Packaging Automation only accepts payments for machinery and rebuild/conversion purchases via wire transfer or check; credit card payments are not accepted.

INSITE Terms & Conditions of Sale

The sale of the goods, product or equipment described in the attached proposal, contract or invoice (collectively, "Equipment") by INSITE Packaging Automation or its subsidiaries ("Seller"), to the recipient or buyer identified in the attached proposal, contract or invoice ("Buyer"), is governed by the following terms and conditions ("Seller's Terms"). Seller expressly rejects any additional or different terms or conditions proposed by Buyer. Buyer's acceptance of any Equipment from Seller shall conclusively be deemed an assent to all of Seller's Terms in connection with the sale of Equipment, and any order, purchase order, or other document of Buyer shall be disregarded. No oral promises or conditions not expressly set forth in Seller's Terms shall be binding upon Seller.

1. **PRICES:** Unless otherwise agreed to in writing by Seller, all price(s) are in U.S. Dollars. Prices quoted shall be effective for a period of thirty (30) days from the date of the proposal or contract, provided, however Seller has the absolute right to withdraw the attached proposal or contract or change its price at any time prior to Buyer's acceptance of such proposal or contract.
2. **TAXES AND OTHER CHARGES:** Sales, revenue, use, excise or similar tax or any other federal, state, local or foreign taxes (including value added and consumption taxes), shipping charges and shipping insurance costs, and all import or export duties payable with respect to any shipment hereunder, excluding taxes based on Seller's net income, are not included in the price except as otherwise specified. All such taxes and other charges are the sole responsibility of Buyer. Seller shall have the right at anytime to separately invoice Buyer for any tax or other charges which Seller may have been requested or required to pay.
3. **OSHA STANDARDS:** Equipment is designed to comply with OSHA Standards and ANSI / PMMI B155 Safety Requirements to the best of Seller's abilities and interpretation for all equipment bound for use in the U.S. Full compliance with OSHA Standards and ANSI / PMMI B155 Safety Requirements involves the use of Equipment at the Buyer's plant and therefore is not controllable by the manufacturer. Seller cannot, therefore, certify that its Equipment conforms in all respects with OSHA Standards and ANSI / PMMI B155 Safety Requirements. Upon Buyer's inspection and testing at Seller's facility, any specific requirements of Buyer to address OSHA regulations and ANSI / PMMI B155 Safety Requirements requiring additional work by Seller will be quoted by Seller. Buyer assumes all responsibility and risk should the quoted work be



declined. Seller does not represent or warrant that Equipment sold by it complies with OSHA and ANSI / PMMI B155 Safety Requirements or any like state or local law or regulation, and the cost of modifications and responsibility for compliance are the Buyer's sole responsibility.

4. **DELIVERY:** Dates of delivery are approximate and are determined from the date of the Seller's acceptance of any order, receipt of the applicable down payment, Buyer's timely supplying of all necessary test materials, and all necessary information and data including, where applicable, import licenses, letters of credit and other such documents and information required by Seller to completely and accurately place the order into Seller's production schedule. Buyer shall perform an initial inspection of Equipment at Seller's facility and shall immediately notify Seller of any failure to conform to Seller's Terms that are discoverable. Any nonconformity not reported to Seller as and when required in this paragraph shall be deemed waived and accepted by Buyer. Unless otherwise stated in the attached proposal or contract, Seller shall have the right to ship the Equipment at one time or in partial lots from time to time. If more than one shipment is made, each shipment may be separately invoiced. Unless otherwise stated in the attached proposal, contract or invoice: (i) title to, and risk of loss, of any shipment hereunder shall pass to Buyer at Seller's warehouse facility or manufacturing facility, (ii) shipments within the United States shall be FOB Seller's dock, and (iii) shipments outside the United States shall be CPT (Incoterms 2010) to the delivery point specified in the purchase order. If Buyer requests that Seller not make a shipment: such Equipment shall be deemed accepted by, and delivered to, Buyer, and shall be held at Buyer's sole risk of loss in all respects; and for the purpose of determining the warranty period and payment due dates, such Equipment shall be considered to have been delivered and accepted when first ready for shipment. Notwithstanding the foregoing, if Buyer refuses to accept delivery of Equipment, then Seller may act as Buyer's agent and store, insure and/or resell same for Buyer's account at Buyer's expense.
5. **TERMS OF PAYMENT:** Terms of payment shall be set forth on the attached proposal, contract or invoice. Unless otherwise agreed to in writing by Seller, payment is due to Seller within thirty (30) days of the date of the invoice. Any amount not paid by Buyer within thirty (30) days of the invoice date shall accrue interest thereafter at the lesser of 18% per annum or the highest rate permitted by applicable law. Time of payment is of the essence. If Buyer is delinquent on any payment, is or becomes insolvent, is unable to pay its debts as they mature, files or has filed against it a bankruptcy, insolvency, or similar petition, or if Seller in good faith doubts the Buyer's ability to pay, Seller may demand cash payment in advance before shipments are made. If payment is not immediately made payable to Seller or Buyer defaults under Seller's Terms, Seller may, at its option (i) defer delivery of all Equipment until any default is cured; (ii) treat any insolvency or default as a repudiation by Buyer of the entire order; (iii) recall the Equipment (if shipped); and/or (iv) hold Buyer liable for any damages, including, but not limited to, special, consequential and incidental damages, including, without limitation, lost profits, revenues, business opportunities, expenses incurred in the preparation of special plans and engineering data and for purchases of special tools or equipment, and any other damages to which Seller may be entitled by law in the event of Buyer's default or breach hereunder. In the event Seller obtains the services of an attorney in order to enforce any or all rights of Seller hereunder, Buyer agrees to pay Seller's reasonable attorney's fees in addition to all court costs and actual out-of-pocket expenses incurred in connection with Buyer's default.
6. **SELLER'S LIMITED WARRANTY:** The limited warranty set forth in addendum 1 attached hereto (the "Limited Warranty Statement") is the only warranty applicable to equipment purchased by Buyer. All other warranties, express or implied, including but not limited to the implied warranties of merchantability and fitness for a particular purpose are expressly disclaimed.
7. **BUYER'S REMEDIES; LIMITATION OF LIABILITY:** Seller's obligation under any proposal, contract or invoice and its warranty and Buyer's remedies are strictly and exclusively limited to the repair or replacement, at Seller's facility, of such components of its manufacture as are found by Seller to be defective in materials or workmanship. Such remedy is conditioned on Buyer providing prompt written notice to Seller of any claimed breach of warranty and delivery to Seller of the claimed defective component within thirty (30) days of notifying Seller. All costs of removing, packing and shipping claimed defective components shall be paid by Buyer. Except as may otherwise be provided for in the Limited Warranty



Statement. Seller reserves the right to satisfy its warranty obligation in full by the payment of the full purchase price upon return of the Equipment to Seller at Seller's facility. In no event shall seller's liability, whether under contract, in tort, under any warranty, in negligence or otherwise, exceed the purchase price paid by buyer for the equipment. Under no circumstances shall Seller be liable for any other damages, whether direct, indirect, immediate, incidental, foreseeable, consequential (including but not limited to lost profits, manufacturing costs, damages to goodwill, or loss of business), equipment recall, or special damages, including damages arising out of personal injuries. The price stated for the equipment is a consideration in limiting Seller's liability. No action, regardless of form, may be brought by Buyer more than one year after the cause of action has accrued.

8. **PATENTS AND INDEMNITY:** Seller will defend any suit and will pay all damages and other costs awarded against the Buyer in any suit brought against Buyer on account of the alleged infringement of any United States patent by any apparatus or any part thereof covered by Equipment, except infringement on account of the use of such apparatus in combination with other apparatus or material not furnished by Seller or infringement on account of said apparatus being made in accordance with materials, designs or specifications furnished or designated by Buyer, in which case Buyer shall defend against said suit and indemnify Seller against any judgment for damages and costs which may be rendered against Seller in any said suit, provided that prompt written notice be given to the party from whom indemnity is sought of the bringing of the suit and that an opportunity be given such party to settle or defend it as that party may see fit and that every reasonable assistance in settling or defending it shall be rendered. It is specifically understood and agreed that the title in all inventions and any and all patents, which may be subsequently issued thereon relating to the designing and developing of the Equipment by Seller, shall remain the sole property of Seller.
9. **SECURITY INTEREST:** Buyer hereby expressly grants to Seller a security interest in the Equipment which is the subject of the attached proposal, contract or invoice. Buyer authorizes Seller to file all financing statements or related documents on its behalf and agrees to sign all other documents Seller may reasonably request to protect Seller's security interest in the Equipment until the total selling price has been paid in full.
10. **DRAWINGS AND TOOLS:** Specifications and drawings pertaining to the Equipment quoted are the property of Seller and Buyer must return to Seller all Equipment drawings by the date specified in the transmittal document accompanying the drawings or upon request by Seller. Delay in the return of approval drawings or essential Buyer accessories will extend production and shipping dates. Seller's patterns, tools, jigs and fixtures produced in connection herewith shall remain the property of Seller. Buyer shall indemnify and hold Seller harmless from all liability, in any manner whatsoever arising from the Equipment engineered or fabricated from Buyer's drawings.
11. **OTHER CHARGES:** Any changes requested by Buyer after Seller has accepted an order, proposal or contract shall require an agreement for price changes and delivery date changes.
12. **CANCELLATION:** No order may be cancelled except with the written consent of Seller. Seller may unilaterally cancel any order or contract if it becomes aware of adverse credit information regarding Buyer.
13. **TEST MATERIALS AND INSTALLATION:** Buyer agrees to provide, at its cost, necessary amounts of testing materials, (e.g., product, glue, sealant, packages and packaging materials for test running the machine at the manufacturing site). It is understood that Buyer is responsible for expense or delay caused by failure to furnish proper materials and full manufacturing information as requested by Seller.
14. **ADVERTISING AND MARKETING RIGHTS:** Seller reserves the right to the use of any photographs, video footage, specifications or data on the Equipment it builds for the purposes of advertising, promotions or demonstrations. Marketing rights for any and all designs, concepts or Equipment produced by Seller shall remain the sole property of Seller.
15. **FORCE MAJEURE:** Seller shall be free from any liability for delay or failure in delivery arising from strikes, lockouts, labor troubles of any kind, accidents, perils of the sea, fire, earthquake, civil commotion, war or consequences of war, government acts, restrictions or requisitions, failure of manufacturers or suppliers to deliver, bankruptcy or insolvency of manufacturers or suppliers, breakdown at Seller's facility, suspension of shipping facilities, a default of any carrier or any



other contingency of any nature beyond Seller's control, including disturbances existing at the time of any proposal, contract or invoice. In such a situation, if shipment or delivery is not made during the period contracted for, Buyer shall accept delivery when shipment is made; provided, however, Buyer shall not be obligated to accept delivery if shipment is not made within a reasonable time after the cessation of the aforementioned impediments or causes.

16. **ASSIGNMENT:** Buyer shall not assign its rights or delegate its performance hereunder without the prior written consent of Seller, and any attempted assignment or delegation without such consent shall be void.
17. **LEGAL PROCEEDINGS:** Buyer agrees that any disputes with Seller shall be litigated in a state or federal court located within Douglas County, State of Minnesota, and that Buyer shall be subject to the jurisdiction of such courts for any such dispute. Any disputes, including any regarding Seller's Terms, shall be governed by the laws of the State of Minnesota without regard to principles of comity or conflicts of laws provisions.
18. **BINDING EFFECT:** If any clause of these Sellers' Terms is determined by any tribunal to be unenforceable, the clause shall be deleted, and the balance hereof shall be binding upon the parties.

THIS PROPOSAL IS IN RESPONSE TO YOUR INQUIRY AS WE HAVE UNDERSTOOD IT, AND IS SUBJECT TO CHANGE UPON OUR RECEIPT OF COMPLETE SPECIFICATIONS AND SAMPLE PRODUCT.

INSITE Packaging Automation