

PAPER MACHINERY CORPORATION
TERMS AND CONDITIONS OF SALE - Form DB-97-1115

1. **CONTRACT FORMATION.** Issuance of any proposal by Paper Machinery Corporation ("Seller") is not an offer to make a sale, but a solicitation of an order. Seller shall have no obligation to make any sale unless and until it agrees to do so in a writing signed by an officer of Seller at Seller's home office in Milwaukee, Wisconsin, U.S.A. Any such agreement

if provided to and accepted by Seller; and (b) is free from defects in materials and workmanship appearing within the first 6,000 hours of operation or one year following date of delivery (whichever expires first). Seller's obligation in this Section 12 is limited, however, to a refund of the purchase price or, at Seller's option, the repair or replacement of any machinery which is nonconforming or defective. Such credit, repair or replacement shall be Seller's sole obligation and Purchaser's exclusive remedy hereunder and shall be conditioned upon Seller's receipt of notice of any nonconformity within 10 days after receipt of shipment or, as the case may be, notice of any alleged defect within 10 days after its discovery and, at Seller's option, return of such machinery to Seller, FOB. Seller's Milwaukee, Wisconsin dock, for domestic shipments or, for international shipments, DDP Seller's Milwaukee, Wisconsin dock (as that term is defined in *Incoterms 2010*).

Seller's warranty obligations apply only to machinery which is properly installed, operated and maintained in accordance with Seller's instructions and operating manuals and under normal conditions and proper supervision.

Machinery or components supplied by Seller hereunder which are obtained by Seller from a third party supplier are not warranted by Seller in any way, but Seller agrees to assign to Purchaser any warranty rights in such machinery or components that Seller may have from the original manufacturer or third party supplier.

THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER REPRESENTATIONS, OBLIGATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AND SELLER EXPRESSLY DISCLAIMS AND EXCLUDES ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NEITHER SELLER NOR ANY OF ITS SUPPLIERS ASSUMES, OR AUTHORIZES ANY PERSON TO ASSUME ON ITS BEHALF, ANY OTHER WARRANTY OR OBLIGATION.

Any description of the machinery sold, whether in writing or made orally by Seller or its agents,

13. **COMPLIANCE WITH LAWS.** Seller certifies that the machinery sold was produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and all regulations and orders of the United States Department of Labor issued under Section 14 thereof.

14. **RETURNS.** Machinery sold may be returned to Seller only when Purchaser obtains in advance Seller's written permission, signed by duly authorized personnel of Seller. Returned machinery must be securely packaged and reach Seller without damage. Any cost incurred by Seller to put the machinery in marketable condition

WISCONSIN AND OF THE UNITED STATES OF AMERICA (WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAWS). THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL NOT BE GOVERNED BY THE PROVISIONS OF THE 1980 U.N. CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS.

23. **TOOLING.** Any dies, jigs or tools that Seller manufactures or acquires in connection with its performance described in these Terms and Conditions shall remain the property of Seller, notwithstanding any charges to buyer therefor. Any such charges convey to Purchaser the right to have the tools, dies or jigs used by Seller for performance hereunder, but do not convey title or right of possession or any other right.