



Terms and Conditions of Sale

Pax Products, Inc.

5097 Monroe Road · Celina, OH 45822
419-586-6948 · www.PaxProducts.com

AGREEMENT

These Terms and Conditions of Sale ("Terms") and the non-conflicting provisions of any quotation included herewith (collectively, the "Agreement") by Pax Products, Inc. ("Pax") shall govern in all respects all sales of goods and equipment ("Goods") from Pax to the purchaser ("Buyer"). The Agreement constitutes the full understanding and entire agreement of the parties and may not be waived, changed, modified, discharged or rescinded except by a writing signed by an authorized representative of Pax. The Agreement supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the Goods. Unless set forth in writing and signed by both Pax and Buyer, no conditions, usage of trade, course of dealing or performance, understanding or agreement purporting to modify, vary, explain or supplement the Agreement shall be binding.

These Terms prevail over any of Buyer's general terms and conditions of purchase regardless of whether or when Buyer has submitted its purchase order or such terms. Acceptance and/or fulfillment of Buyer's order does not constitute acceptance of any of Buyer's terms and conditions, whether included in Buyer's purchase order or any other Buyer forms and does not serve to modify or amend the Agreement. Issuance of a purchase order or other order (whether written or oral) by Buyer for Goods shall constitute acceptance of these Terms by Buyer. All orders are subject to final approval and acceptance by Pax in its sole discretion and are subject to credit approval.

ORDERS

Quote/Pricing Duration – Quotations are valid for 30 days from the quotation date unless otherwise stated in writing by Pax. All concepts and figures quoted are based on information and product samples available to Pax at time of quotation.

Order Minimum – Inside US or Canada: Minimum billings will be \$50USD for all orders. Otherwise, a \$15USD handling fee will be added.

Submission of PO's – All purchase orders should be sent to sales@paxproducts.com. Orders are not binding on Pax until acknowledged in writing by Pax.

Remittance – Payments may be made via ACH/EFT, Wire Transfer, Credit Card or mailed to 5097 Monroe Road, Celina, OH 45822. Remittance Advice should be sent to invoices@paxproducts.com.

Credit Card Payments – All credit card payments are subject to a 3% fee.

Payment Terms – All purchases are subject to credit approval, and payment is due per the terms specified on the invoice. Invoices not paid by the due date will accrue interest at a rate of 1.5% per month, compounded monthly, or the maximum rate permitted by applicable law. If collection efforts are required to recover outstanding balances, the customer is responsible for all associated costs. For orders outside of the US or Canada, advance payment is due in full prior to shipment.

Taxes – All quoted prices are exclusive of all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any governmental

authority on any amounts payable by Buyer. Buyer shall be responsible for all such charges, costs and taxes; provided that Buyer shall not be responsible for any taxes imposed on, or with respect to, Seller's income, revenues, or real or personal property.

Expedite Orders - Rush orders are subject to a 10% expedite fee.

PROJECT

Change Orders - The Buyer must notify Pax in writing of any change requests and necessary information regarding the requested change(s). Pax will then, at its option, halt all work on the project and estimate the costs and lead time required to implement the requested changes plus reasonable markup for any work completed prior to the receipt of the change order and any acquired, non-stocked purchased materials that will no longer be used due to the requested change(s). The Buyer must authorize or reject the changes in cost and lead time before Pax will commence work on the change order.

Cancellation – The Buyer must notify Pax in writing of its intent to cancel an order. On receipt of a cancellation notice, Pax will halt all work and assess cost plus 10% for all work completed and non-stocked, purchased material costs incurred or contracted for prior to the cancellation. Buyer must accept or reject the cancellation charges prior to project termination. In the event Buyer rejects such charges, Pax shall resume and complete production of the original order, and Buyer shall remain fully liable for the total amount of the original order invoice.

Force Majeure/Delays – Pax shall not be liable or responsible to Buyer, nor be deemed to have defaulted or breached the Agreement, for any failure or delay in fulfilling or performing any term of the Agreement when and to the extent such failure or delay is caused by or results from (i) acts or circumstances beyond the reasonable control of Pax including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national emergency, revolution, insurrection, epidemic, lockouts, strikes or other labor disputes (whether or not relating to Pax's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, materials or telecommunication breakdown or power outage, or (ii) Buyer's acts, including the lack of correct or complete data furnished by Buyer, changes or revisions in specifications requested or consented to by Buyer, or tardy approval of drawings by Buyer.

Buyer's Obligations – Buyer must provide required information and approvals on a timely basis. If the project requires a factory acceptance test, all products to be run on the proposed equipment must be supplied to Pax in sufficient quantities, in the same condition that they will be run in production, and in a timely manner prior to acceptance of an order. Seller will not be liable for any delays caused by the Buyer's failure to complete Buyer's obligations in a timely manner.

SHIPPING

Shipping Terms – Shipment of all goods shall be FOB Pax Products facility, Celina, OH, USA unless otherwise agreed in writing.

FedEx Shipments – A \$5 handling fee per package per shipment will be added to all FedEx shipments.



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Shipping Charge Rebill Adjustments – Rebill adjustments charged to Pax on collect shipments are subject to a 20% fee.

Title and Risk of Loss - Title and risk of loss to the Goods shall pass to Buyer as per the agreed upon Incoterms point.

SUPPORT

Return/Restocking – Returns will only be accepted with prior authorization from Pax and with a valid Return Merchandise Authorization (RMA) number on each shipping container. RMA's will only be issued for up to 30 days after the item was originally shipped from Pax and the RMA will automatically close 30 days after it is issued. To be eligible for credit, the item(s) must be safely packaged, shipped pre-paid via a reliable carrier, and received at Pax in like new condition, (used or damaged items will not be accepted). The Buyer is responsible for the item(s) until they arrive at the Pax Products facility. Credits or refunds will be issued after the returned items are inspected by Pax. The return fees are as follows: 10% for EGD units (not EGDF), 20% for all standard lube units and stocked parts, 20% for low profile conveyor pulleys, 30% for low profile conveyor units, and 50% for CD & DMC conveyor units. All other items are non-returnable.

Warranty – Pax warrants to the Buyer that the Goods are free from defects in material and workmanship for one year from the date of shipment from the Pax facility as stated in the equipment manual. The warranty for purchased components will not exceed the warranty period of the original item. Warranty coverage is non-transferable. In order to make a valid warranty claim, Buyer must provide written notice to Pax of the claim no later than ten (10) days following expiration of the warranty period.

Disclaimer of Implied Warranties – Pax hereby disclaims any and all implied warranties, including but not limited to implied warranties of merchantability and fitness for a particular purpose.

Inspection and Repairs - Any Goods that are not as warranted during the warranty period will be repaired or replaced free of charge. Repair or replacement are Buyer's exclusive remedies for a warranty claim. Repairs outside of the warranty period will be quoted after inspection of the Goods by Pax. There is a minimum \$250 inspection fee per Good for any non- warranty repair. All items shipped back for repair or replacement must follow the Return guidelines provided herein.

GENERAL

Jurisdiction – All matters arising out of or relating to this agreement are governed by and construed in accordance with the internal laws of the State of Ohio. Any legal suit, action or proceeding arising out of or relating to this agreement shall be instituted in the courts of the State of Ohio, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

Patent Indemnity - Pax shall indemnify, defend and hold harmless Buyer from and against all losses, damages, liabilities, and actions arising out of any claim of a third party alleging that any of the Goods infringe any United States patents of a third party. If the Goods, or any part of the Goods, becomes, or in Pax's opinion is likely to

become, subject to a third-party claim that qualifies for such intellectual property indemnification coverage, Pax shall, at its sole option and expense, notify Buyer in writing to cease using all or a part of the Goods, in which case Buyer shall immediately cease all such use of such Goods on receipt of Pax's notice. Notwithstanding anything to the contrary, Pax is not obligated to indemnify or defend Buyer against any claim under this paragraph if such claim arises out of or results from: (i) use of the Goods in any manner not otherwise authorized under the Agreement or that does not materially conform with any usage instructions provided by Pax, (ii) use of the Goods, including use of the Goods in combination with any products, materials or equipment supplied to Buyer by a person or entity other than Pax, if the infringement would have been avoided by the use of the Goods or use of the Goods not so combined; (iii) any modifications or changes made to the Goods by or on behalf of any person or entity other than Pax, if the infringement would have been avoided without such modification or change; or (iv) goods (including Goods), products or assemblies manufactured or designed by Buyer. This paragraph sets forth Pax's entire liability and the sole and exclusive remedy for Buyer for any damages covered by this paragraph.

Damages & Liability Disclaimers – Pax's liability for any claim of any kind, including negligence, is limited to the purchase price of the Goods. **Pax shall not be liable or responsible for any consequential or indirect damages whatsoever, including but not limited to any damage or loss resulting from delay or default in delivery due to any cause, lost profits, or loss of use.**

Limited Software License - (a) Pax owns all rights in or has the right to sublicense all of the Software, if any, included with any equipment sold to Buyer under this Agreement. As part of the sale made hereunder Buyer hereby obtains a limited license to use the Software, subject to the following: (i) the Software may be used only in conjunction with using the equipment sold by Seller; (ii) the Software shall be kept strictly confidential; (iii) the Software shall not be copied, reverse-engineered, or modified; (iv) the Buyer's right to use the Software shall terminate immediately when the specified equipment is no longer used by the Buyer; and (v) the rights to use the Software are non-exclusive. (b) Nothing in this Agreement shall be deemed to convey to Buyer any title to or ownership in any Software included with any Goods sold under this Agreement. In the event any Good is sold or conveyed to a third party by Buyer, this limited license will transfer with the Good.

Storage - Pax may, at its option, place Goods for which manufacture or delivery is delayed where Pax is not responsible for such delay, in storage, either in Pax's plant or elsewhere, for Buyer's account and risk, in which case Buyer will be responsible for and pay Pax's regular storage charges and expenses in connection therewith promptly upon presentation of invoices. If Pax does not store (or discontinues storage of) the Goods, Buyer will, on request, provide or arrange for suitable storage facilities and assume all costs and risks in connection therewith.