

Terms and Conditions

1. Applicability: Seller's sale of products and services is expressly conditioned upon the terms and conditions contained herein. All quotations, offers to sell, proposals, acknowledgments and acceptances of orders by Seller are subject to these Terms and Conditions, and acceptance by Purchaser is expressly limited to them. Any conflicting terms and conditions set forth in any purchase order or similar communication submitted to Seller by Purchaser are objected to, and are deemed proposals for addition to the contract of sale, and do not become part of the contract of sale (Agreement) between Seller and Purchaser unless expressly and separately agreed to in writing by Seller. Authorization by Purchaser, whether written or oral, for Seller to supply the products and services will constitute acceptance of these Terms and Conditions.

2. Testing Materials: Upon request by Seller, Purchaser shall furnish to Seller's point of manufacture sufficient product, sample packages and/or containers, packaging materials, complete manufacturing data and other material necessary for full testing of products being sold by Seller. Purchaser shall furnish testing materials to Seller according to the Project schedule. Seller shall not be responsible for any delays in Seller's performance caused by the failure of Purchaser to provide testing materials to Seller in a timely fashion. Where Purchaser has provided testing materials to Seller for evaluation prior to entering into an Agreement with Seller, Purchaser represents and warrants to Seller that the actual materials to be handled by Seller's products will be similar in all material respects to those testing materials originally provided by Purchaser to Seller for evaluation.

3. Prices: Prices quoted by Seller are valid for the stated period. If no period is stated, then any proposal shall expire without notice 30 calendar days after issuance, unless terminated earlier by prior written notice. Prices quoted do not include any federal, state, local or other taxes, including but not limited to sales and use taxes, turnover taxes, duties, fees, or other specific assessments which may be levied against the products, and Purchaser agrees to pay any and all such taxes which Seller may be required by law to pay or collect on account of the manufacture or sale of goods and performance of any services for Purchaser. All licenses or other approvals required shall be obtained by Purchaser, at Purchaser's expense.

4. Payment Terms: For orders greater than \$30,000, 50% down payment due prior to commencement of project, 40% payment due prior to shipment, 10% final payment invoiced upon shipment and due upon acceptance of commissioning of equipment. Should Purchaser delay commissioning more than 45 days, then final payment becomes due and must be paid prior to commissioning. Services are invoiced as work is completed, net 45.

* Payment terms are subject to change based on purchaser's credit history.

Prices do not include State or Federal sales or Value Added taxes. All payments are to be made in U.S. funds. On all late payments a finance charge of 1.5% per month will be assessed and billed as a separate invoice. Order will not be processed until a valid purchase order, with terms consistent with this quotation, is received by Seller.

5. Specifications: Specifications are as stated in the attached specification document, part of the Seller's written quotation. No other specifications may be deemed part of the Agreement between Seller and Purchaser unless specifically identified as such in a writing made part of the Agreement and signed by Seller. Seller reserves the right, without obtaining Purchaser's approval, to make changes in the design and specifications of the products sold hereunder, or of any component part, which changes do not adversely affect the performance of the products and services.

Purchaser acknowledges that (a) the products are of a unique and special nature and shall be manufactured by Seller expressly and only for the Buyer, (b) the products may not be usable by any other entity, (c) in manufacturing the products, Seller is electing not to pursue other profitable business opportunities and (d) if Buyer commits anticipatory repudiation of this Agreement as set forth below, Seller will only be able to sell the products for its salvage or "scrap" value and not its fair market value.

6. Purchase Order Changes: Any change in product or package, product or package geometry, product or package material or additional products or packages not addressed herein make this quotation subject to change in price and scope. Customer approved or initiated order changes with a value under \$10,000 will be invoiced upon acceptance by Seller and payment will be due from the customer upon receipt of that invoice. For changes with a greater price, an amount due will be calculated based on the cumulative percentage due under the original purchase order as of the next invoice and will be added to that invoice. Any future invoices will reflect the inclusion of the change price as an addition to the original order price.

7. Factory Acceptance Testing (FAT): The products proposed herein will be tested at Seller's assembly facility prior to shipment to Purchaser's facility. The test will be performed by Seller's personnel and may be witnessed by Purchaser. While all capabilities of the machinery will be demonstrated, this test program is NOT meant to prove throughput capabilities or machine efficiencies. It should be recognized that product flow to the machines must be simulated by manual means and may only be maintained for relatively short periods without interruptions. In general, product will be introduced to the machines at a rate corresponding to the specified operating speed range and the machine's capability to produce the packaged product to specification will be monitored. The diagnostic capabilities of the machine will be verified during simulated faults. Seller will demonstrate all required product changeovers. If Purchaser requires a non-standard FAT, this quotation is subject to change in price and scope.

8. Site Acceptance Testing (SAT): Performance efficiency and quality ratings shall be validated during start-up and commissioning at a mutually agreed upon time at the Purchaser's facility. Seller's products and services shall meet all performance and quality requirements as defined in the attached specification document. Final acceptance occurs when these conditions have been met. Seller will provide a written statement documenting results and completion of performance and quality requirements. Purchaser agrees to sign the written documents concurring with final acceptance or issue a written objection within ten (10) days of receiving any required documentation of testing, commissioning, and start-up.

9. Shipment: Shipments are Ex-Works plant of manufacture. Any shipment dates quoted by Seller are approximate. All shipping costs shall be borne by

Purchaser. Seller shall exercise reasonable care in preparing items for shipment. Seller shall include shipping costs as a separate line item on the final 10% invoice. Purchaser shall insure the products against all risks, including damage and shipment, until delivery is made. Purchaser shall be liable to Seller for any storage, warehouse or demurrage charges and any extra cartage and handling charges caused by Purchaser's failure or refusal to accept delivery of the products when tendered. If shipment is delayed at Purchaser's request, then any payments otherwise due from Purchaser to Seller upon delivery shall immediately become due and payable, and Purchaser shall pay, prior to shipment, any costs of handling, storage and insurance of the products incurred prior to delivery of the products.

10. Force Majeure Delays: Seller shall not be held responsible for any delay or failure in performance of any part of its obligations to Purchaser, to the extent that such delay or failure is caused by fire, flood, explosion, war, strike, embargo, government requirement, civil or military authority, act of God, or other similar causes beyond the parties' control. Seller shall not be liable to Purchaser for any damages purported to be due to delays in shipment, regardless of the causes of the delays.

11. Installation and Commissioning: Installation is to be completed by Purchaser unless specifically described and incorporated as part of this agreement. Purchaser is responsible to have completed the prerequisite installation list prior to Seller's arrival to perform commissioning services. Should the prerequisite list not be complete, or the facility be not available, Purchaser will either request Seller to complete the prerequisite list or reschedule the services. Regardless of decision, Purchaser will pay for the hourly time and travel expenses for out of scope services or cancellation of services, in addition to the original purchase order for the services.

12. Cancellation: Purchaser may only cancel the Agreement by giving notice in writing to Seller of the cancellation. If Purchaser cancels the contract for any reason other than Seller's uncured material breach of this Agreement, Seller shall be paid a reasonable termination charge consisting of a percentage of the applicable price reflecting the percentage of the work performed prior to the notice of termination, plus actual direct costs resulting from termination.

13. Warranty; Warranty Disclaimers: Seller warrants that the products sold are free from defects in material and workmanship when used in the manner and for the purpose for which designed, and in accordance with all instructions and directions for installation, operation and maintenance furnished by Seller, for a period of one year from receipt at Purchaser's designated delivery point subject to the following conditions:

(a) Purchaser shall notify Seller in writing promptly upon discovery of facts giving rise to any claim under this warranty, stating specifically the nature of the claim, the date of discovery of same, and identifying the product involved. Failure to so notify Seller within ninety days after discovery of facts giving rise to the claim shall fully and completely relieve Seller from any obligation under this warranty.

(b) This warranty applies only to products properly used and maintained and is expressly non-applicable to any products or components, including without limitation any and all software and/or firmware installed on or included with such products or components, which (i) have been repaired, altered or changed other than in accordance with instructions and directions furnished by Seller; (ii) were not commissioned by the Seller; (iii) have not been operated or utilized in accordance with instructions or directions furnished by Seller; (iv) have been damaged due to environmental factors including airborne corrosives; or (v) have been operated or treated in any manner which, in the reasonable judgment of Seller, adversely affects its reliability and performance. Further, this warranty does not apply to normal wear and tear items or consumable parts.

(c) Spare parts ordered by Purchaser shall be subject to the original warranty period for the products, so long as the original warranty period remains in effect. If spare parts are ordered by Purchaser at a time when the original warranty period has expired, then the warranty provided for herein will apply to the spare parts (to the spare parts only and not to the products generally) for ninety days after receipt by the Purchaser.

(d) SELLER MAKES NO WARRANTY THAT THE PRODUCTS SOLD SHALL BE MERCHANTABLE OR FIT FOR ANY PARTICULAR PURPOSE, NOR DOES SELLER MAKE ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, EXCEPT SUCH AS ARE EXPRESSLY SET FORTH HEREIN.

(e) SELLER MAKES NO WARRANTY WITH RESPECT TO ANY PRODUCT OR COMPONENT PURCHASED BY SELLER FROM A THIRD-PARTY MANUFACTURER OR ITS DISTRIBUTORS AND SOLD TO PURCHASER INDIVIDUALLY OR AS PART OF A SYSTEM. PURCHASER'S SOLE WARRANTY WITH RESPECT TO ANY SUCH PRODUCT OR COMPONENT SHALL BE LIMITED TO THOSE WARRANTIES, IF ANY, OFFERED BY THE ORIGINAL EQUIPMENT MANUFACTURER ON A PASS-THROUGH BASIS TO PURCHASER.

(f) THE WARRANTIES SET FORTH HEREIN ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESSED, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

14. Partial Invalidity: If any provision or portion of a provision of these Terms and Conditions is determined to be invalid under any applicable law, it shall be deemed omitted, and the remaining provisions and partial provisions hereof shall continue in full force and effect.

15. Governing Law and Venue for Legal Actions: The Agreement between Seller and Purchaser, including these Terms and Conditions, shall be interpreted and construed in accordance with the laws of the State of Washington. The exclusive jurisdiction for any legal proceedings involving the Agreement between Seller and Purchaser, including these Terms and Conditions, shall be the State of Washington. Purchaser expressly consents to the jurisdiction and venue of such courts.

16. Changes: No changes of the Agreement between the parties or to these Terms and Conditions shall be binding without the written consent of both parties.

17. Limitation on Damages: UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER, OR TO ANY THIRD PARTY, FOR ANY LOST PROFITS, LOSS OF USE, OR CONSEQUENTIAL, INCIDENTAL, DIRECT, INDIRECT, SPECIAL, PUNITIVE OR CONTINGENT DAMAGES OF ANY KIND. This limitation on damages is intended to have the broadest possible application and is intended to apply to all disputes between Purchaser and Seller that are directly or indirectly related to the Agreement between the parties and/or the products to be supplied to Purchaser by Seller, regardless of whether or not the products are actually manufactured and/or shipped to the Purchaser. EXCEPT AS OTHERWISE PROVIDED HEREIN, PURCHASER'S EXCLUSIVE REMEDY FOR ALL CLAIMS ARISING OUT OF THE AGREEMENT, INCLUDING WARRANTY CLAIMS, SHALL BE LIMITED TO THE REPAIR OR REPLACEMENT OF DEFECTIVE OR NONCONFORMING PRODUCTS, OR AT SELLER'S OPTION, REPAYMENT OF THE PURCHASE PRICE. PURCHASER SHALL BE ENTITLED TO NO OTHER REMEDIES, WHETHER IN CONTRACT OR TORT OR OTHERWISE, EXCEPT AS PROVIDED HEREIN.

18. Assignment: This Agreement benefits Seller, its successors and assigns. Seller may assign its rights under the Agreement, and the assignee and any subsequent assignee shall have all the rights and remedies of Seller under the Agreement. Neither the Agreement nor the obligations thereunder may be assigned or transferred by Purchaser unless separately agreed to by Seller, in writing. Any purported assignment by Purchaser in violation of this provision shall be void as against Seller.

19. Security Interest: Seller reserves a security interest in all products delivered until Seller receives the full purchase price. Purchaser agrees to execute any documents at Seller's request with respect to creation and perfection of a security interest in the products sold.

20. Intellectual Property: Purchaser acknowledges and agrees that all patents, copyrights, trade secrets and other intellectual property rights related to or incorporated within the products and services, including, without limitation, the design and theory of operation, computer and PLC programs, and the source code (Intellectual Property Rights) are and shall remain the sole property of Seller. Upon delivery, Seller grants to the Purchaser and the Purchaser accepts a royalty-free, perpetual, worldwide, nonexclusive license to use the Intellectual Property Rights solely in conjunction with the Purchaser's operation of the products. Purchaser shall not copy, reverse engineer, manufacture or reproduce in any manner any component of the products without the prior written consent of Seller, and Seller shall not be precluded from continuing to market and sell similar products and services to other customers.

21. Safety Devices: The use of all guards, interlocks, electrical devices, and other safety devices and features on the products, and the operation of the products in accordance with Seller's operating instructions is essential to the safe use of the products. Therefore, Purchaser agrees that it will keep in legible condition all warnings or operating instructions affixed to the products by Seller, and that it will not remove, render inoperable, or modify, any guards, interlocks, electrical devices, or other safety devices that are part of the products, or the software controlling such devices, and that it will not add any devices or modify the products in any way that will render the products unsafe, and that it will operate the products in accordance with Seller's operating instructions. Purchaser shall not disassemble, decompile, or modify any embedded software; doing so may result in significant personal injury or property damage. Purchaser agrees to indemnify and hold harmless Seller from all actions, claims, demands and damages, including all reasonable attorneys' fees and legal expenses incurred by Seller, arising out of claims made by third parties for personal injury allegedly resulting from actions by Purchaser taken inconsistent with Purchaser's obligations stated in this paragraph.

Revised: 3/10/2023