

Systematic Automation / STANDARD WARRANTY & CONDITIONS OF SALE

1 COMPLETE AGREEMENT

- 1.1 This document sets forth the entire agreement between Systematic Automation Inc. (the Seller) and the Purchaser, and may not be changed or modified, nor shall the Seller be bound except by a writing signed by the Seller.
- 1.2 No representations, understandings, or agreements have been made or relied upon other than those specifically set forth hereinabove.
- 1.3 This is not a firm offer until the purchase order is acknowledged and signed by a proper representative of the Seller.
- 1.4 If this quotation is accepted and Purchaser's order form is used for that purpose, it is expressly understood and agreed that the terms and conditions set forth herein shall prevail insofar as the same may in such order form; and the issuance of such order by the Purchaser shall be deemed to note the Purchaser's assent to the foregoing.

2 PRICES AND TERMS

- 2.1 The conditions set forth herein become effective upon receipt of Systematic Automation's Order Acknowledgment by the Purchaser.
- 2.2 Any manufacturer's tax, retailer's occupation tax, use tax, excise tax, duty, custom, inspection, or testing fee, or other tax, fee or charge of any nature whatsoever imposed by any governmental authority on or measured by any transaction between Systematic Automation Inc. and Purchaser shall be paid by Purchaser in addition to the prices quoted or invoiced.
- 2.3 All claims for shortages on shipments must be made within ten (10) days of date of invoice.
- 2.4 All claims against the carrier for damage caused during shipping must be made by the Purchaser.
- 2.5 A twenty five (25%) per cent cancellation charge applies to order for standard stock items.
- 2.6 Orders for special machines and products can be canceled only with prior written approval by Systematic Automation and are subject to cancellation charges computed on the basis of cost incurred plus thirty (30%) per cent.
- 2.7 Special tooling is non-cancelable and non-returnable
- 2.8 Cancellation cost will include labor, preliminary engineering, burden, indirect expenses, materials, purchased parts, and all expense for engineering, labor, material and transportation relating to the delivery and the installation, and the taking down and the removal of the material or the apparatus, lost opportunity costs less scrap and salvage value.
- 2.9 In the event of cancellation, the Purchaser shall pay to the Seller within thirty (30) days from date of its written request for cancellation, all cancellation charges.

3 ACCEPTANCE OF ORDER

- 3.1 Acceptance by Systematic Automation Inc. of buyer's order, or buyer's acceptance of Systematic Automation Inc.'s proposal, is expressly limited to and conditioned upon buyer's acceptance of, and assent to, these terms and conditions and those referred to herein.
- 3.2 Any additional, inconsistent or different terms and conditions contained in buyer's purchase order or other documents submitted by buyer to Systematic Automation Inc. at any time whether before or after the date hereof, are hereby expressly rejected by Systematic Automation Inc.
- 3.3 Buyer acknowledges that, notwithstanding anything to the contrary contained in its purchase order or other documents, receipt by buyer of Systematic Automation Inc. products shall constitute acceptance by buyer of these terms and conditions.
- 3.4 All orders are subject to acceptance in writing by Systematic Automation Inc. at its office at 20 Executive Drive, Farmington, CT 06032.

4 SHIPMENT AND PRODUCTION ESTIMATES

- 4.1 Shipping dates are estimated upon the basis of immediate receipt by Systematic Automation Inc. of buyer's purchase order, deposit and all information required to be furnished by buyer.
- 4.2 Systematic Automation Inc. shall, in good faith, endeavor to ship on the estimated shipping date but reserves the right to vary such date free of any liability to buyer.
- 4.3 The shipping date quoted is: subject to prior sale; computed from the date of acknowledgment of the order by Systematic Automation Inc., or in the case of special products, from the date of complete clarification of design and specification; subject to any changes that may be caused by procedures or priorities which may be set by the pertinent governments or any of their agencies; to be considered that may be caused by procedures or priorities which may be set by the pertinent governments or any of their agencies; to be considered approximate, since the ability of Systematic Automation Inc. to complete and ship the ordered products within the period may depend upon conditions over which it has no control and Systematic Automation shall not be liable for damages resulting from delays in shipment caused by fires, war, civil riots, acts of God, strikes, or any other causes over which it has no reasonable control.
- 4.4 Production data, where given, is based upon the products being maintained and operated under normal working conditions with competent, trained operators and maintenance personnel. Production estimates are approximations and are not guaranteed.
- 4.5 The Purchaser's acceptance of delivery of the products received from the carrier shall constitute a waiver of any claims for delay.

5 RESPONSIBILITY AND TITLE

5.1 Title to the products shall remain with Systematic Automation according to the terms of the quotation. Risk of loss for the products shall pass to the Purchaser upon shipment Ex Works and accordingly, the Purchaser shall have adequate insurance coverage in place.

6 DAMAGE OR LOSS IN TRANSIT

6.1 Delivery of goods to a carrier at Systematic Automation Inc.'s plant or other shipping point selected by Systematic Automation Inc. shall constitute delivery to Purchaser; regardless of freight payment, all risk, loss or damage in transit shall pass to purchaser at that time.

6.2 Purchaser shall make claims for loss or damage to goods while in transit against the carrier and not against Systematic Automation Inc.

6.3 Systematic Automation Inc. will assist Purchaser in securing satisfactory adjustment of such claims.

7 INSURANCE

7.1 The risk of loss, damage to or destruction of the equipment shall be assumed by the Purchaser effective upon shipment thereof by the Seller.

7.2 Transportation and insurance costs shall be paid by the Purchaser unless otherwise noted.

8 INSTALLATION

8.1 If so requested by the Purchaser, the Seller will furnish a competent representative to supervise and assist in the installation of the equipment of the Seller at the standard rate.

9 WARRANTIES

9.1 Systematic Automation Inc. warrants to the original purchaser that all equipment manufactured by it will be free from defects in materials or workmanship for a period of 1 year from date of delivery to such purchaser or as specified.

9.2 Such warranty is to remain in effect if and only if such products are used in accordance with all instructions as to maintenance and operation set forth in manuals and instruction sheets furnished by Systematic Automation Inc.

9.3 Service parts (such as cylinders, valves or limit switches) that are not manufactured by Systematic Automation are not covered under this warranty and are covered only to the extent of the original manufacturer's warranty.

9.4 Systematic Automation Inc.'s liability under this warranty is limited to repair or replacement, at Systematic Automation Inc.'s sole option. Any parts or equipment returned to Systematic Automation Inc. freight is to be prepaid.

9.5 Any warranty or replacement parts will be shipped to customers via regular UPS at no charge. Federal Express or express UPS shipments will be billed to the customer.

9.6 Buyer agrees to indemnify and hold Systematic Automation Inc. harmless from any and all claims, expenses and liability arising out of the use of Systematic Automation Inc.'s products as a component part.

9.7 Systematic Automation Inc. shall not be liable for damages to goods, property, or persons due to improper installation or through attempts to utilize the goods under conditions which exceed the designed capabilities.

9.7.1 The Buyer assumes all responsibility as to the fitness of the product for any particular application. The Seller assumes no responsibility or liability for the commercial or technical success of the Purchaser's use of the equipment, or any inefficiency or modification or loss of use of the equipment, loss of time or production, damage inconvenience or other consequential expense.

9.8 This warranty is expressly in lieu of any other express or implied warranty, condition or guarantee with respect to the equipment or any part thereof, including any implied warranty of merchantability of fitness, and or any other obligation on the part of the Seller

10 MINIMUM BILLING

10.1 Orders of less than \$30.00 net, excluding repair costs, shall be invoiced at \$30.00 plus transportation charges.

11 PROPERTY RIGHTS

11.1 This proposal, together with any accompanying drawings, calculations, or photographs, is offered to specify the equipment and services that the Seller is proposing.

11.2 They are the express property of the Seller and are not to be used directly or indirectly in any way detrimental to this interest and must be returned to Seller upon request.

12 QUOTATIONS AND PRICES

12.1 Prices listed in the catalog or list price schedules are subject to change without notice.

12.2 Orders are accepted with the understanding that the goods will be billed at the price in effect at the time of shipment, unless otherwise specified by Systematic Automation Inc.

12.3 The price and performance of each order is subject to resource availability and costs incurred by Systematic Automation Inc. at the time of manufacture.

12.4 Systematic Automation Inc. reserves the right to cancel or adjust prices and delivery.

12.5 Until a binding contract has been formed, the Proposal is merely a quotation of sales prices.

12.6 The Proposal is void unless accepted within 60 days of the date thereof.

12.7 Photographs, illustrations, brochures, manuals or advertising materials represent in general the products offered, but are not binding in detail since variations to the products are constantly being made in product design.

13 FREIGHT

13.1 Ex Works Systematic Automation Inc.'s facility in Farmington, Connecticut. No allowance will be made for cartage at destination.

14 WEIGHTS AND SPECIFICATIONS

14.1 All weights, measurements and powers given by Systematic Automation Inc. are estimates stated as correctly as practicable. Any minor deviations shall not invalidate the sale of the products or entitle buyer to any price adjustment.

15 RETURNED GOODS

15.1 Authorization and shipping instructions for the return of any goods must first be obtained by the Purchaser from Systematic Automation Inc., otherwise shipment will be refused.

15.2 Only unused goods or materials of current design by Systematic Automation Inc. will be considered for return.

16 CONSEQUENTIAL DAMAGES

16.1 Notwithstanding anything to the contrary herein contained, Systematic Automation Inc. shall not be liable for any consequential, contingent or incidental damages whatsoever.

17 LITERATURE AND ADVERTISING MATERIALS

17.1 All specifications are subject to change without notice.

18 PENALTY CLAUSE

18.1 No penalty clause of any description in any specification or order will be effective unless approved in writing over the signature of an officer of Systematic Automation Inc.

19 ERRORS

19.1 All clerical errors are subject to correction.