

Terms and Conditions of Sale

The following provisions apply to all sales of products (individually, a "Product" and collectively, "Products") to you by Scan-Pac Manufacturing Co., Inc. ("Scan-Pac").

1. **ACCEPTANCE.** CONTRACT FORMATION BETWEEN YOU AND SCAN-PAC IS HEREBY EXPRESSLY MADE CONDITIONAL ON YOUR ASSENT TO ALL OF THE TERMS AND CONDITIONS OF SALE SET FORTH HEREIN AND IN ANY INVOICE OR OTHER DOCUMENTS PROVIDED BY SCAN-PAC IN CONNECTION WITH THE SALE OF ITS PRODUCTS (ALL OF SUCH TERMS AND CONDITIONS BEING REFERRED TO HEREIN COLLECTIVELY AS THESE "TERMS"). ORDERING ANY PRODUCTS FROM SCANPAC SHALL INDICATE YOUR EXPRESS ASSENT TO BE BOUND BY THESE TERMS. ALL OF THESE TERMS SHALL SUPERSEDE ALL TERMS AND CONDITIONS IN YOUR PURCHASE ORDER OR OTHER PURCHASE DOCUMENTS, IF ANY, AND ALL SUPPLEMENTS AND AMENDMENTS THERETO, WHETHER SUBMITTED TO SCAN-PAC BEFORE, ON OR AFTER THE DATE OF SALE, AND THESE TERMS, AND ONLY THESE TERMS, SHALL CONSTITUTE THE COMPLETE AND FINAL AGREEMENT BETWEEN YOU AND SCAN-PAC WITH RESPECT TO THE SALE OF SCANPAC'S PRODUCTS. ANY ADDITIONAL OR DIFFERENT TERMS AND CONDITIONS PROPOSED BY YOU AT ANY TIME, WHETHER PROPOSED BEFORE, ON OR AFTER THE DATE OF SALE, ORALLY OR IN WRITING, UNLESS SUCH TERMS AND CONDITIONS ARE AGREED TO IN WRITING BY A DULY AUTHORIZED REPRESENTATIVE OF SCAN-PAC, ARE HEREBY REJECTED IN THEIR ENTIRETY BY SCAN-PAC AND ARE OR SHALL BE DEEMED BY SCAN-PAC, AS THE CASE MAY BE, A MATERIAL ALTERATION OF THESE TERMS. BY WAY OF CLARIFICATION ONLY, IN NO EVENT SHALL ANY ORDER ACKNOWLEDGMENT OR SIMILAR DOCUMENT PROVIDED TO YOU BY SCAN-PAC, OR SCAN-PAC'S SALE OF PRODUCTS TO YOU, BE CONSTRUED AS AN ACCEPTANCE OR CONDITIONAL ACCEPTANCE OF ALL OR ANY PORTION OF YOUR PURCHASE ORDER OR OTHER PURCHASE DOCUMENTS, IF ANY, UNDER UNIFORM COMMERCIAL CODE SECTION 2-207 OR ANY COMPARABLE OR SUCCESSOR PROVISION THERETO UNDER APPLICABLE LAW, FOREIGN OR DOMESTIC, WHETHER SUBMITTED BEFORE, ON OR AFTER THE DATE OF SALE. NO COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE SHALL APPLY TO ANY SALE OF SCAN-PAC'S PRODUCTS UNLESS EXPRESSLY AGREED TO IN WRITING BY SCAN-PAC.

2. **RETURN OF PRODUCTS FOR CREDIT.** You may return to ScanPac, with Scan-Pac's consent, any standard Product for credit within 30 days of the date of delivery to you, provided that such Product is in its original packaging and such packaging has not been opened. The following Products are not returnable for any reason: (i) nonstandard Products that are custom-made or specially-made for you; (ii) standard Products, the original packaging of which has been opened; or (iii) standard Products with a date of delivery to you (per ScanPac's records) more than 30 days prior to receipt by ScanPac of your return request. Products returned for credit must be returned with shipping charges prepaid by you and are subject to a 20% restocking fee.

3. **PRICE.** Products are invoiced at prices in effect at the time of your order and Scan-Pac's prices are subject to change without notice. You understand that ScanPac's prices do not include taxes and other charges, including, but not limited to, special request or overseas crating and shipping charges, which ScanPac may be required to pay in connection with the sale and/or transportation of Products. You agree, upon request by ScanPac, to promptly reimburse ScanPac in full for all such taxes and charges.

4. **DELIVERY.** All Products are shipped F.O.B. ScanPac's applicable manufacturing facility. All Products are shipped by carrier(s) of ScanPac's choice, unless you specifically requested in writing, at the time of order, that such Products be shipped by your designated carrier, in which case such Products are shipped F.O.B ScanPac's applicable manufacturing facility, Freight Collect. If ScanPac is unable to meet any shipping date requested by you, you shall have no claim for damages, whether incidental, consequential, punitive or otherwise (even if ScanPac has been advised of the possibility of such damages), resulting from any such delay in delivery.

5. **PAYMENT.** Payment for Products must be made in U.S. dollars within 30 days of the invoice date unless otherwise agreed in writing by Scan-Pac. Overdue invoices are subject to collection and carry a service charge of 1.5% per month (18% per year) or the maximum legally allowable rate. You shall pay ScanPac all legal costs and expenses, including, but not limited to, reasonable attorneys' fees, incurred by ScanPac in connection with its collection of any such overdue account.

6. **WARRANTY AND LIABILITY LIMITATION.** ScanPac warrants to you, and only you, that all Products sold to you were, at the time of shipment from ScanPac's applicable manufacturing facility, free from defects in workmanship. The foregoing warranty shall not apply to any Products attached to any parts or other material supplied by you and ScanPac shall not be liable for any

damage or loss related thereto. If any Products do not conform to the foregoing warranty, and if you report such nonconformity to ScanPac within the 30-day warranty claim period referred to below, ScanPac shall, at its option, either replace such nonconforming Products without cost to you or refund to or credit you for the invoice price of such Products. Such replacement, refund or credit shall be ScanPac's sole obligation with respect to any warranty or other claim relating to any Product sold to you. In no event shall ScanPac have any liability for any damages, whether incidental, consequential, punitive or otherwise (even if ScanPac has been advised of the possibility of such damages), for any breach of warranty or any other act, omission, default or breach, including, but not limited to, any liability for lost profits, product recall costs or any loss of business or goodwill. You shall inspect all Products promptly upon receipt and shall give written notice to ScanPac of any claims based on the aforementioned warranty as soon as practicable, but in any event within 30 days after delivery to you of such Products. If you claim that any Product does not meet the aforementioned warranty, you shall make such Product available to ScanPac, upon its request, so that ScanPac may conduct its own analysis. If you fail to give written notice to ScanPac of a claim with respect to any Product within 30 days after delivery thereof as provided above, such Product shall be deemed to conform to ScanPac's warranty and you shall be deemed to have irrevocably accepted such Product and shall be obligated to pay for it in accordance with these Terms. Products shall not be returned to ScanPac without ScanPac's prior written authorization. THE FOREGOING WARRANTY AND REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES AND REMEDIES WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR SERVICE CONDITION, SERVICE OVER ANY PERIOD OF TIME, OR NONINFRINGEMENT, EACH OF WHICH SCAN-PAC HEREBY EXPRESSLY DISCLAIMS IN ITS ENTIRETY.

7. LIABILITY FOR INFRINGEMENT. If a lawsuit or other action is brought or threatened against you because Products are suspected to have infringed upon a valid patent, copyright, trademark or other intellectual property right of a third party, you shall promptly, but in any event no later than 10 days after your receipt of notice of such pending or threatened lawsuit or other action, notify ScanPac of such pending or threatened lawsuit or other action so that ScanPac can take control of any litigation or settlement related thereto. You agree to fully cooperate with ScanPac in defense of any such lawsuit or other action at ScanPac's request and expense. In the event of such lawsuit or other action, ScanPac may, at its sole discretion, refund you the original invoice price for Products sold to you in the form of a credit or replace such Products with non-infringing Products, which refund or replacement shall be your only recourse and remedy against ScanPac; provided, however, ScanPac shall have none of the above obligations if such infringement or suspected infringement is caused by the manner in which you used such Products or ScanPac's compliance with specifications provided by you or at your request. Specifications provided to ScanPac by you or at your request constitute an express warranty by you against claims based upon infringement of patents, copyrights, trademarks or other intellectual property rights of third parties.

8. INDEMNIFICATION. To the maximum extent allowed by law, you shall defend, indemnify and hold harmless ScanPac and each of its directors, officers, employees, shareholders, affiliates, agents, representatives, successors and assigns (each, an "Indemnified Party") against all claims, actions, demands, legal proceedings, judgments, settlements, sums, costs, liabilities, losses, obligations, suits, actions, damages, penalties, fines, interest and other expenses (including, but not limited to, reasonable attorneys' fees) that any Indemnified Party may incur or be legally obligated to pay as a result of (i) your negligence, use, ownership, maintenance, transfer, transportation or disposal of any Products; (ii) any infringement or alleged infringement of the intellectual property rights of third parties arising from your plans, specifications or adjustment of Products ordered by you; (iii) your violation or alleged violation of any federal, state, county, local or foreign laws or regulations, including but not limited to, the laws and regulations governing product safety, labeling, packaging and labor practices; or (iv) your breach of any of these Terms. ScanPac's remedies under these Terms are cumulative and in addition to any other remedies available to ScanPac at law, in equity, by contract or otherwise. No purported limitation on ScanPac's remedies contained in any purchase order or other agreement, instrument or document provided by you shall operate to reduce your indemnification obligations hereunder.

9. SET-OFF. ScanPac may, at any time and from time to time, set-off any amount owing from ScanPac to you or any of your affiliates against any amount owing by you or any of such affiliates to ScanPac.

10. NON-WAIVER. ScanPac's failure to enforce any provisions of these Terms shall not operate as a complete or partial waiver of such provisions or rights and the same shall remain in full force and effect.

11. FORCE MAJEURE. ScanPac shall not be liable to you or any other person for any delay in delivery

or failure to deliver Products, directly or indirectly caused by fire, explosion, accident, flood, labor difficulties or shortage, war, act of terrorism, act or regulation of any governmental body, act of God or any other circumstance or cause beyond the control of ScanPac.

12. **ASSIGNMENT.** You may not assign any of your rights or obligations under these Terms without the prior written consent of ScanPac and any attempted assignment without such consent shall be null and void. ScanPac may assign or subcontract its rights and obligations under these Terms without obtaining any consent whatsoever.

13. **SEVERABILITY.** If any provision of these Terms shall under any circumstances be deemed invalid or inoperative, these Terms shall be construed with such invalid or inoperative provision deleted, and the rights and obligations of the parties shall be construed and enforced accordingly.

14. **APPLICABLE LAW.** Any dispute regarding the interpretation or validity of these Terms shall be governed by and construed in accordance with the internal laws of the State of Wisconsin, without regard to any conflicts of law principles thereunder.

15. **MODIFICATION.** These Terms shall not be amended, supplemented or otherwise modified except by a written agreement executed by duly authorized representatives of you and ScanPac.

16. **BINDING EFFECT.** These Terms shall be binding on, and inure to the benefit of, each of you and ScanPac and our respective successors and assigns.

17. **SHIPPING QUANTITIES.** All shipments will be made at +/- 10% of the ordered quantity. Exceptions to this rule include kits and sets from the Scan-Pac price book.