

## **mk North America, Inc. Terms & Conditions**

### **1. GENERAL**

All orders for products, drawings, or services furnished in connection therewith (hereinafter collectively called "products") manufactured or supplied by mk North America, Inc ("mk"), shall be subject to these terms and conditions. No modifications or additions hereto will be binding unless agreed upon in writing by an authorized officer of mk.

### **2. PURCHASE ORDER PLACEMENT/PROCUREMENT**

All purchase orders ("PO" or "order") must be placed in writing; verbal orders will not be accepted. Orders placed after noon, local time, will be considered for the next business day. No order or offer shall be binding with mk until accepted in writing by mk.

There is a \$100.00 minimum order requirement.

All prices are in US dollars (USD).

Prices do not include crating, packaging, shipping or freight.

Orders must have a valid quote/proposal prior to placement.

### **3. CUSTOMER CONTACT**

The customer is responsible for supplying a primary contact for the PO.

### **4. LEAD-TIME AND SHIP DATES**

All ship dates as confirmed by mk are approximate and indicate the best possible date in which the product is to be shipped.

All orders are shipped FOB and Ex-Works, Bloomfield CT.

We do not recommend shipping complete assemblies via UPS or Fed-Ex.

Unless specified on the customer's PO, all jobs will ship via pre-paid and added.

Lead-time does not include transit time from mk to the customer's facility. mk is not responsible for any delays in shipping once the product has been received by the shipper. The ship date is not the delivery date and does not include time of transit from our facility to yours. mk will attempt to meet customer requested ship dates whenever possible. All products are subject to prior sale.

Lead times may be extended due to, but not limited to, the following clauses:

- Customer not providing information, components/parts
- Concept or specification changes
- Incomplete orders
- Unexpected long lead delivery on components integral to the design and/or specified by the customer
- Down payments not paid as required
- Any unexpected conditions that are not directly controlled by mk including; but not limited to, an act of God, war or national emergency, hurricane or other weather emergencies, fire, flood, explosion, inability to obtain certain materials, any labor dispute or strike (including those of carriers), or export, import, dollar exchange or other governmental regulations or restrictions.

Purchaser may not cancel because of any such delay or for any other reason not the fault of mk. mk will not be bound by any penalty clause contained in any specification or order submitted

by the purchaser unless such clause is agreed to in writing by an authorized officer of mk.

### **5. CRATING AND PACKAGING**

All orders will be subject to a crating or packaging fee.

### **6. APPROVAL DRAWINGS**

When called out on the quote mk requires signed approval drawings. These drawings are done in order to ensure that the customer's requirements have been correctly interpreted and that the product is approved for build. Drawings are generated in Autodesk Inventor and can be provided as a variety of 2D and 3D formats.

It is the customer's responsibility to review these drawings for any and all inaccuracies. Corrections, omissions, changes and adjustments will be made by mk at the customer's request and a revised approval drawing will be submitted to the customer. mk does not accept "red-lined" or "approved as noted" approval drawings.

On orders that require an approval drawing, lead-time does not begin until mk has the signed approval drawing returned from the customer. Approvals should be returned via email. On jobs in which mk does not require approval drawings, the customer is free to request approval drawings. In doing so they are abiding by the same conditions as orders that require approval drawings.

It is important to state that signed approval drawings do not abrogate mk's responsibility to provide a functioning system. As information relating to any particular application is most often received via emails, drawings and/or short customer visits; approval drawings reflect our best effort at interpreting the customer's requirements. A signed approval drawing confirms that the customer has reviewed our interpretation and that there are no obvious omissions, errors or oversights.

Approvals placed after noon, local time, will be considered for the next business day.

### **7. LAYOUT AND SIZING**

The customer is responsible for ensuring that the product ordered fits into their plant layout. Furthermore for conveyor orders, the customer is responsible for transferring products onto and off of the system. See APPROVAL DRAWINGS, section 6.

### **8. CONVEYOR SPEEDS**

Conveyor speeds, when applicable, as stated in the proposal are approximate speeds, rounded to the nearest whole foot per minute speed (fpm) or as measurement is indicated in the quote. Due to the inefficiencies in the motor manufacturer's motor windings; gearbox ratios and drive train ratios, speeds stated in this proposal are +20% for variable speed motor packages, and +10% for constant speed motor packages.

### **9. CUSTOMER INFORMATION**

The customer is responsible for providing all data relative to the order/project at hand. This includes environmental conditions (temperatures, chemicals, etc), drawings (layout and product), specifications, schematics, formulas and/or calculations, etc. This also includes any information and knowledge that is specific to the customer's product, process or industry. Should these given parameters change during the quoting, design or build phase the customer is responsible to notify mk. Failure to do so may result in

increased price and/or lead-time.

#### 10. CUSTOMER SAMPLE PRODUCT

When required, the customer is to furnish, at their expense, sample products to mk for review during the design and concept phase as well as any products that may be required for a run-off at our facility prior to shipping. mk is not responsible for the behavior of products, other than those specifically quoted for this application.

Any changes in the customer's product during the quoting, design or build must be brought to mk's attention. Changes in the product may result in a re-design, additional time, additional charges or increased lead-time. All products supplied must be oil free, clean, debris free, and contain no contaminants. Samples will not be returned unless specifically requested. If returned samples do not ship with your order from mk, the initial shipper is responsible for all freight.

#### 11. CUSTOMER SUPPLIED COMPONENTS/EQUIPMENT

When the customer is to provide mk with various items that are to be integrated into the build of specific equipment that is integrated into the mk supplied equipment the customer is responsible for supplying mk with 3D models of that equipment during the proposal stage and prior to the generation of any approval drawings. All items must be received at mk a minimum of five (5) business days before the scheduled ship date. mk is not responsible for items that are received late and cannot be held accountable for ship dates missed as a result. mk is not responsible for shipping costs or any shipping damages done to these items. If the item received does not match the model supplied initially additional reworks may need to be, and additional charges and lead-time may incur.

#### 12. SYSTEM ACCEPTANCE TEST

The customer can request a systems acceptance test, on mk's floor, for any job prior to shipping. The customer is responsible for attending the acceptance test at no charge to mk, and at a mutually agreed upon time. The customer must also supply all personnel required for the test and products to be tested. When customer personnel is not available for a run-off and the customer would like one, video is available at the customer's request.

#### 13. INSTALLATION

Unless specifically stated otherwise, the customer is responsible for all aspects of installation. This includes, but is not limited to unpacking of material, setting up the installation site, providing applicable power supplies, lagging units to the floor (as required), providing wiring and controls (as required).

The customer is also responsible for ensuring that the installation meets all local, state and federal safety regulations. All work must be provided by authorized and/or licensed personnel.

#### 14. DOCUMENTATION PROVIDED

mk will supply to the customer any and all paperwork supplied to us by third-party vendors. This may or may not include, belt information, motor wiring diagrams, etc. General specification manuals will be provided at no additional cost for all standard conveyors. This document includes information on belt tracking, tensioning and preventive maintenance.

#### 15. SAFETY ISSUE

All conveyors that include indirect mounted motors also include safety covers over the drive train. This is a formed metal cover. The

system should not be operated without this cover in place. Some systems, such as roller chain conveyors, have multiple exposed pinch points and should only be operated in a (customer-provided) guarded environment. The customer should review all approval drawings for various pinch points. mk can and will work with the customer to guard pinch points, should the customer request it.

The customer is responsible for ensuring that all mk products used are within the legal limits and safety standards for their facility.

#### 16. PHOTOGRAPHY AND VIDEO

The customer hereby assigns mk the irrevocable and unrestricted right to use and publish any photographs and/or videos taken of their order. mk is the sole owner of this media and will use in any manner deemed necessary by mk, its owners and partners.

Projects with a non-disclosure agreement on file will not have any media published.

#### 17. PATENTS

mk shall indemnify and hold harmless the purchaser against all claim or actions that are instituted against the purchaser on the grounds that the purchaser has infringed the patent rights of others by using, reselling, or promoting the sale or resale of mk's products, provided that mk shall not be obligated hereunder if:

- a) the purchaser fails to give mk prompt notice of such claim or actions, or
- b) Such claims or actions against the purchaser are based wholly or in part on the existence or operation of any complete installation or apparatus incorporating mk's products as components and which is designed or manufactured by the purchaser of its customers.

#### 18. ASSIGNMENT

No contract to purchase goods from mk may be assigned by the purchaser without prior agreement in writing by an authorized officer of mk.

#### 19. REGULATORY LAWS OR STANDARDS

mk makes no representation that its products conform to any state or local ordinances, regulations, codes, or standards, expect as may be otherwise agreed to in writing by an authorized officer of mk.

ALL PURCHASERS AND USERS SHOULD CONSULT THEIR APPROPRIATE LOCAL, STATE AND FEDERAL SAFETY REGULATIONS AND STANDARDS.

#### 20. NOTICE

NOTWITHSTANDING mk's Limited Warranty, mk IS SPECIFICALLY NOT RESPONSIBLE FOR PROPERTY DAMAGE AND OR PERSONAL INJURY, DIRECT OR INDIRECT OR FOR DAMAGES AND/OR FAILURES CAUSED BY THE IMPROPER MACHINE DESIGN, APPLICATION, INSTALLATION, OPERATION, ABUSE AND/OR MISUSE OF ITS PRODUCTS.

#### 21. PAYMENTS AND INTEREST

mk accepts checks, wire transfers, ACH and credit card payments. Credit cards accepted are VISA, MasterCard, American Express and Discover. Credit card payments are only allowed for invoices of less than \$5,000.00 and must be made using our online portal. mk reserves the right to charge interest on any balance outstanding at 1.5% per month until payment is made in full.

If the cost to mk of a third-party product is increased by reason of delays caused by the purchaser, such additional cost incurred shall be paid by the purchaser.

## 22. TAXES

Prices do not include Sales, Use, Excise or other taxes payable to any governmental authority in respect to the sales of mk's products. The purchaser shall pay the amount of any such taxes or shall reimburse mk for the amount thereof that mk may be required to pay.

## 23. TERMS

PAYMENT TERMS ARE SUBJECT TO CREDIT APPROVAL AT TIME OF ORDER.

Full or partial payment (down payment) may be required based on the customer's credit.

No mk representative shall accept in the form of payment a copy of a check or a payment promise.

## 24. CHANGES AND COST ADJUSTMENTS

mk will not accept changes in specification unless such changes are requested in writing and agreed to in writing by mk.

Changes to orders after the receipt of the signed approval drawing from the customer may be subject to a minimum fee of \$250. The customer is also responsible for any additional fees incurred due to the change. Additional lead-time will be required, and this time will be based on the nature of the changes and the overall scope of the project.

All orders with changes require a revised approval drawing to be furnished by mk and signed by the customer.

All orders with changes that result in additional fees require a purchase order from the customer stating the changes and the fees. This can be either a new order or a revised existing order. This document must be received in writing.

## 25. CANCELLATIONS

Any order placed with and accepted by mk is not subject to cancellation unless agreed to in writing by mk. Custom orders are non-cancellable.

Cancellations are subject to reasonable charges based upon the expenses already incurred and commitments made by mk.

## 26. RETURNS

Custom orders, including conveyors, assembled products and cut-to-length profiles; are non-returnable.

Material may not be returned to mk unless specifically allowed in writing. All material returned to mk must include a Return Authorization and must be returned prepaid and packaged in a suitable manner.

Materials returned may be subject to a 20% or \$25.00 (whichever is greater) restocking fee.

## 27. SECURITY INTEREST

Unless and until the products are fully paid for, mk reserves a

security interest in them to secure the unpaid balance of the price and all other obligations of the purchaser to mk however arising. The purchaser hereby grants mk the power of attorney to execute and file on behalf of the purchaser all necessary financing statements and other similar documents required to protect the security interest granted herein.

## 28. DAMAGES, LIMITATION

In the event of breach of this agreement by mk, the rights of the purchaser are limited to the amount therefore paid to mk for the goods. THE PURCHASER SHALL HAVE NO RIGHT TO CONSEQUENTIAL OR INDIRECT DAMAGES, WHETHER FOR THE INJURIES TO THE PERSON, PROPERTY OR OTHERWISE.

## 29. DEFAULT

If the purchaser defaults in performing any of its obligations to mk under this agreement, or any other agreements, mk may, at its option and without incurring any of all other agreements with the purchaser or to terminate this agreement together with any or all such agreements. Furthermore, mk shall have a right to all damages sustained, including loss of profits.

## 30. INSOLVENCY

If the purchaser shall be insolvent or cease doing business or be the subject of any proceedings under any bankruptcy, insolvency, reorganization or arrangement statute or law, such act shall be the option of mk, be deemed a default under this agreement and mk may elect to cease performing and cancel this agreement with the respect to any products not delivered or received prior to the election. All of the foregoing shall be without prejudice to recovery by mk of damages for work performed and for loss of profits and material and products delivered.

## 31. MISCELLANEOUS

The provisions of this agreement shall be governed in accordance to the laws of the State of Connecticut. These terms and conditions set forth the entire understanding and agreement of the parties hereto, together with all representations and obligations of such parties in respect to such matter, shall be superseded by and merged into this agreement. No provisions hereof shall be waived, changed, terminated, modified, discharged or rescinded, orally or otherwise, except in writing signed by the party to be charged by any such waiver, change, termination, modification, discharge or recession. No waiver of any breach of any provision of this agreement shall constitute an amendment or modification of this agreement, or any provision thereof. If any provision of this agreement shall be held to be unenforceable or inapplicable in any way respect, such holding shall not affect the enforceability of any other provision of this agreement under any other circumstances. The provisions of this agreement shall bind and inure to the benefits of the parties hereto and their respected heirs, executors, administrators, successors and (subject to any restrictions on assignment hereinafter set forth) assigns. In the event unspecified redress or commitments develop not covered above, terms of the Uniform Commercial Code under the laws of Connecticut will be construed as being effective as they may pertain.