

Erdman Automation Corp.
Terms and Conditions
Effective February 2017

1) Acceptance of Terms

Erdman Automation Corp., herein after EAC, provides its goods and services to you, subject to following the Terms and Conditions. You can review the most current version of the Terms and Conditions at any time at ErdmanAutomation.com. We are embedding and incorporating these general terms and conditions into your contract by reference. Please take note that we may update the website and change these website terms and conditions from time to time without formal notice. If at any time a change in the terms and conditions as it is noted on the website concern you, please contact us immediately. A subsequent change in terms and conditions, do not affect the prior contract.

2) Description of Goods and Service

EAC is an "OEM". We develop, design & build custom quality machines. We also build parts, as described in the parts catalog. Our machines will require installation, phone or remote support, parts and on-site service. ErdmanAutomation.com currently provides users with access to a collection of online resources, including an ecommerce store at store.erdmanautomation.com.

3) Contract Terms

All quotations, offers and tenders are made subject to these Terms and Conditions, and "Acceptance" of the Contract shall be subject to these Terms and Conditions. The Customer shall be deemed to have accepted the contract, including these Terms and Conditions, upon communication of the Purchase Order number, Credit Card number, or verbal agreement to EAC via fax, email, mail, oral or by means of our ecommerce store at store.erdmanautomation.com. Any additional or different terms and conditions must be proposed by the Customer to EAC prior to Acceptance and agreed to by EAC in writing. Any additional terms and conditions not presented to EAC prior to Acceptance by the Customer and not formally consented to in writing shall be deemed rejected and will not form part of the contract. These Terms and Conditions are intended by EAC to be an essential and integral part of any offer, counteroffer, or Acceptance addressed to the Customer. Upon Acceptance, the contract shall constitute the final written expression of the entire agreement between the Customer and EAC. All prior discussions, representations, negotiations and agreements, whether written or oral, including, but not limited to, terms and conditions submitted by the Customer, shall have no legal value, and shall not become part of the Contract unless expressly agreed to in writing by EAC. No statement or recommendation made or assistance offered by EAC or its representatives shall constitute a waiver of any portion of these Terms and Conditions, change EAC's liability or constitute any type of warranty.

4) Orders

All orders are subject to acceptance and approval by EAC. Orders should display Customer information, prices, quantities, product description, and when acknowledged by EAC in writing

are considered full commitments. All variations to an order requested by the Customer shall be in writing and the price of the change agreed to prior to the performance of any additional work by EAC. If EAC agrees to make any variations in accordance with this condition, then any dates quoted for delivery or completion will be extended appropriately.

5) Price

All prices quoted are subject to change, without notice, at any time prior to Customer's Acceptance. In the event that the cost of raw materials and/or components increases due to unanticipated circumstances or otherwise and/or a vendor raises its prices or imposes a surcharge on EAC, EAC reserves the right to increase the prices or surcharge the Customer. If there is a delay in completion of shipment of any order due to any change requested by the Customer or as a result of any delay on the Customer's part in furnishing information or test samples required for completion of the order, the price agreed upon at the time of Acceptance is subject to change. Unless agreed otherwise in writing by both parties, prices are "FOB shipping point" and exclusive all taxes- Federal, State or Local. There will be added to the quoted price any sales or other tax or duty EAC may be required to collect or pay upon the sale of the merchandise quoted. If such amount is not included in the invoice for the merchandise, it may be invoiced separately later. Unless specifically included in the price, the cost of any required performance or payment bond will be added to the price. EAC is based in Princeton Minnesota. As an American Company, all transactions will be in USD currency unless otherwise specified in writing in the agreed contract.

6) Terms of Payment

All invoices are payable based on the terms agreed to upon contract Acceptance. Time and terms of payment are essential, and if any default is made by the Customer, or if the financial responsibility of the Customer shall at any time become impaired or unsatisfactory to EAC, we reserve the right to terminate without notice or discontinue further shipments until past due payments are made or satisfactory assurance of the Customer's financial responsibility is received by EAC. If EAC is required to refer any order to an attorney for collection, the Customer agrees that all costs, attorney fees, and expenses of said collection shall be added to the amount due to EAC. Note! Parts orders placed through our ecommerce storefront store.erdmanautomation.com via credit card will be charged upon shipment.

7) Shipment, Delivery and Inspection

Unless otherwise agreed in writing by both parties, all merchandise will be shipped FOB Princeton MN and both title and risk of loss (including transportation delays and losses) shall pass to the Customer upon delivery to the carrier at the shipping point, whether EAC prepays freight or not. EAC reserves the right to prepay the freight and invoice the Customer for the costs, including reasonable packaging costs. If the Customer does not specify a carrier, then EAC shall select the method of transportation. While EAC strives to deliver in a speedy fashion, the Customer must understand that all shipping & delivery dates are estimates. The date of delivery in every case shall be dependent upon the prompt receipt of all necessary information, Customer approvals and appropriate payments. The estimated ship date may extend due to reasons including but not limited to delayed Customer information/ test samples, Changes requested by the Customer, failed concept or components, etc. EAC will endeavor to comply with reasonable requests of the Customer to postpone delivery, but shall be under no obligation to do so. Where delivery is postponed other than due to default of EAC, or in the case of the Customer's refusal to accept any shipment in accordance with the terms of any order, the Customer shall be liable for storage and the extra cost of handling all other applicable expenses incurred by EAC as a result of such postponement. All merchandise which have been altered or damaged are not returnable except with EAC's prior

written consent. To reject merchandise on inspection as defective, the Customer must notify EAC in writing within 10 days from receipt of the merchandise. Before allowing or rejecting a claim, EAC shall have the option of re-inspection at the Customer's facility or EAC's facility. Defects that do not impair service shall not be a cause for rejection. EAC shall have the right to replace within a reasonable amount of time any merchandise which EAC feels does not conform to the order. No claim will be allowed for any merchandise damaged by the Customer or damaged in transit. Any expenses incurred in connection with claims for which EAC is not liable, will be charged to the Customer. EAC will not be responsible for any work done to correct the errors in the merchandise unless this work is authorized in writing by EAC.

8) Customer Products, samples, tooling, etc.

Any equipment (including all jigs, dies, tools, measuring tables, supply pumps, etc), and/or any products or materials which the Customer furnishes to EAC for use in the build and testing of their custom equipment will be carefully handled and stored by EAC using commercially reasonable efforts. But EAC will not be liable for damage or loss thereof. Upon shipment of the order to the Customer, if any equipment or materials are left at EAC's facility with no arrangements made for transport, EAC will contact the Customer to facilitate that effort. If no movement is made after 60 days, EAC reserves the right to dispose of said equipment or materials as we see fit.

9) Limited Warranty; Limitation of Liability

EAC does hereby warranty/guarantee for a period of two*(2) years from date of shipment to replace or repair (whichever EAC deems appropriate) any product or component thereof manufactured by EAC which upon return to EAC for inspection proves to be defective in material or workmanship. **The warranty/guarantee does not apply to normal wear, perishable tooling, wear components, software and or any problems related to or because of defective products or software furnished by other reputable manufacturers. This policy is affected by and limited to the parts/components warranty/guarantee provided by the original component or product manufacturer. This warranty does not cover products which have been subject to misuse, negligence, accident, misapplication or modified in any way so as to affect its normal performance.***Note: 2 year time period applies to equipment used utilized during standard 8 hour shift x 5 days/week normal operation.

EAC retains all proprietary rights unless specifically stated in customer quotation and reserves the right to make changes in design and/or construction and or other improvements in its products without obligation to incorporate the changes or improvements in any of its previously manufactured products. All EAC products meet or exceed OSHA, ANSI and NEC standards when shipped. EAC accepts no responsibility or liability for changes or modifications to our products, which may be made by others with, or without our knowledge or consent. It is the obligation of the customer to provide properly trained and qualified personnel to operate and maintain our products. EAC makes no warranty as to the merchantability or as to the fitness of the merchandise for any particular use and shall not be liable for any loss or damage, directly or indirectly, arising from the use of said machine or for any consequential damages that may occur.

Exceptions & Special Considerations for Fluid Metering Components:

Fluid metering system components manufactured by EAC are warranted for a period of 90 days from date of shipment. The warranty will apply only to fluid metering components in applications approved by EAC. Fluid metering components manufactured by EAC that fail within warranty period must be returned to EAC for proper technical dissection and analysis for warranty consideration. Any other fluid meters or components not manufactured by EAC (Example: GEAR

PUMPS, PRIMARY UNLOADER PUMPS, SEALANT VALVES, SEALANT HOSES, SEALANT MIXERS, NOZZLES) have no warranty extended by EAC for wear. For fluid meter components OTHER than EAC please refer to the original equipment manufacturer's WARRANTY. EAC will not warrant fluid metering components for any beaded sealant.

10) Third Party Rights

Third parties shall have no further rights against EAC than does the original Customer. The Customer agrees to notify said third party buyers of this provision and to make this a condition of any contract concerning the merchandise. The balance of the EAC warranty is transferable to a third party starting from the date of the installation. In the event EAC is subject to any claims, losses, damages, expenses (including attorney fees) as a result of the Customer's failure to comply with this paragraph, Customer shall indemnify and hold harmless EAC from all such claims, losses, damages or expenses (including attorney fees).

11) Propriety Information/ Intellectual Property

All drawings, models, documents and confidential reports/ records, software and other information supplied by EAC are supplied on the understanding that all copyright and design rights are reserved to EAC and that the Customer will not give away, loan, exhibit or sell the drawings, models, documents, and confidential reports/ record, software and other information without the written consent of EAC. EAC respects the intellectual property of others and we request that you do the same. If you believe that your work has been copied in a way that constitutes copyright infringement, please contact us at joerdman@erdmanautomation.com.

12) Limitation of Liability

Customer understands and agrees that EAC shall not be held liable for any direct, indirect, incidental, special, consequential or exemplary damages, including but not limited to, damages for loss of profits, goodwill, use, data or other intangible losses (even if EAC has been advised of the possibility of such losses).

13) General Provisions- Dispute Resolution

Severability: Any terms found to be illegal or unenforceable shall be severed and shall not, in any way, affect the validity of the remaining Contract. **Venue:** The contract is entered into in the state and county where EAC is located, Minnesota, Sherburne County, and shall be interpreted in accordance with the laws of the State of Minnesota. All disputes shall be resolved by binding arbitration in accordance with the rules of the National Arbitration Forum. The arbitration site shall be in the state and county where EAC is located, or another mutually agreed upon location. The Customer and EAC agree that the losing party will pay all arbitration fees and attorney fees collective by both parties.