

**GENERAL TERMS AND CONDITIONS OF SALE AND SERVICES**  
**SCHROEDER MACHINERY CORP.**

**1. SCOPE OF APPLICATION AND DEFINITIONS**

- 1.1** These General Terms and Conditions of Sale and Services ("Terms") apply exclusively to all offers, quotations, sales, deliveries, installation, commissioning, maintenance, repair, engineering, field services, technical support, software, and other services (collectively, "Services"), and to all machinery, industrial equipment, components, spare parts, software, firmware, and related products (collectively, "Products") provided by Schroeder Machinery Corp., Hans Schröder Maschinenbau GmbH and Schröder-Fasti-Technologie GmbH and its affiliates ("Supplier").
- 1.2** These Terms apply solely to transactions between Supplier and commercial entities, including corporations, limited liability companies, partnerships, and other business entities ("Buyer"). These Terms do not apply to consumers.
- 1.3** Supplier expressly rejects all additional or conflicting terms proposed by Buyer. Acceptance of Buyer's order is expressly conditioned upon Buyer's acceptance of these Terms. Any additional or different terms proposed by Buyer shall be void unless expressly agreed in a written document signed by an authorized officer of Supplier. Acceptance shall be final and irrevocable except for latent defects covered by warranty.
- 1.4** These Terms, together with Supplier's written quotation and order confirmation, constitute the entire agreement ("Agreement").
- 1.5** Buyer acknowledges that it is a sophisticated commercial entity and has had the opportunity to review and negotiate these Terms.
- 1.6** Buyer expressly waives any claim based on alleged oral representations.
- 1.7** Buyer must inspect Products immediately upon delivery. Products shall be deemed accepted unless Buyer provides written rejection within 10 days.
- 1.8** Supplier shall have the right to control defense of any claim.
- 1.9** Buyer shall name Supplier as an additional insured on its liability insurance upon request.

**2. CONTRACT FORMATION**

- 2.1** No contract shall exist until Supplier issues a written order confirmation or commences performance.
- 2.2** Buyer may not cancel or modify an order after acceptance without Supplier's written consent.

### **3. PRICES AND PAYMENT**

- 3.1 Unless otherwise agreed in writing, delivery shall be EXW (Incoterms® 2020) Supplier's facility.
- 3.2 Prices do not include freight, insurance, taxes, duties, tariffs, installation, or Services unless expressly stated.
- 3.3 Payment terms are net fourteen (14) days from invoice date.
- 3.4 Supplier may charge interest on overdue amounts at the maximum rate permitted by applicable law.
- 3.5 Buyer shall reimburse Supplier for all reasonable collection costs, including attorneys' fees, court costs, and collection agency fees.
- 3.6 Supplier retains a security interest in all Products until full payment is received.

### **4. SECURITY INTEREST (UCC ARTICLE 9)**

- 4.1 Buyer grants Supplier a purchase money security interest in all Products and proceeds thereof.
- 4.2 Buyer authorizes Supplier to file financing statements (UCC1) without Buyer's signature.
- 4.3 Buyer irrevocably appoints Supplier as its attorney-in-fact to execute and file financing statements and related documents.
- 4.4 Buyer shall cooperate fully in perfecting and enforcing Supplier's security interest.

### **5. DELIVERY AND RISK OF LOSS**

- 5.1 Risk of loss transfers in accordance with Incoterms® 2020.
- 5.2 Delivery dates are estimates only.
- 5.3 Supplier shall not be liable for delays beyond its reasonable control.

### **6. SERVICES PERFORMANCE**

- 6.1 Supplier shall perform Services using commercially reasonable care consistent with industry standards.
- 6.2 Supplier does not guarantee any specific result.
- 6.3 Buyer shall provide safe access, information, and cooperation.
- 6.4 Buyer is solely responsible for site safety and OSHA compliance.

## **7. FORCE MAJEURE**

Supplier shall not be liable for failure or delay caused by events beyond its reasonable control, including acts of God, war, terrorism, labor disputes, pandemics, supply chain disruptions, governmental actions, or natural disasters.

## **8. PRODUCT WARRANTY**

**8.1** Supplier warrants that the mechanical equipment, machinery, and components supplied under this Agreement (“Products”) shall, at the time of delivery, materially conform to the mutually agreed written technical specifications, drawings, and documentation expressly referenced in the applicable purchase order.

Supplier further warrants that, for the Warranty Period defined below, the Products shall be free from defects in material and workmanship under normal industrial use and service, and when properly installed, operated, and maintained strictly in accordance with Supplier’s written manuals, instructions, load limits, maintenance schedules, and operating conditions.

### **8.2** Warranty Period

The warranty period (“Warranty Period”) shall be twelve (12) months from the date of delivery.

### **8.3** Exclusive Remedies

Supplier’s sole and exclusive obligation, and Buyer’s sole and exclusive remedy, for any breach of warranty shall be, at Supplier’s sole discretion and provided that Supplier uses commercially reasonable efforts to perform within a reasonable time:

- repair of the defective Product,
- replacement of the defective Product or defective component, or
- refund of the purchase price actually paid for the defective Product or component.

Repair or replacement may be performed at Supplier’s facility or another location designated by Supplier. Unless otherwise agreed in writing, Buyer shall be responsible for proper removal, reinstallation, and transportation costs.

Repaired or replaced Products shall be warranted only for the remaining portion of the original Warranty Period.

Supplier shall not be responsible for field labor, service, or troubleshooting costs unless expressly agreed in writing.

### **8.4** Warranty Procedure and Conditions

Supplier shall have no obligation under this warranty unless Buyer:

- provides written notice describing the alleged defect in reasonable detail within the Warranty Period and within ten (10) business days after discovery or when Buyer reasonably should have discovered the defect,

- provides reasonable evidence of proper installation, operation, and maintenance in accordance with Supplier's written requirements, and
- allows Supplier or its representatives reasonable access to inspect the Product and determine the cause of the alleged defect.

Supplier shall not be obligated to perform warranty services until warranty applicability has been reasonably determined by Supplier.

## **8.5** Warranty Exclusions

This warranty does not apply to:

- normal wear and tear, including but not limited to bearings, seals, filters, lubrication components, and other consumable or wear parts,
- defects caused by improper installation, alignment, integration, commissioning, alteration, misuse, abuse, neglect, accident, or unauthorized repair,
- operation outside specified design parameters,
- corrosion, erosion, or environmental conditions not contemplated in the specifications,
- system integration, system performance, or compatibility with equipment or systems not supplied by Supplier, unless expressly agreed in writing.
- Supplier does not warrant system performance, output, efficiency, or fitness for Buyer's specific application unless expressly agreed in writing.
- defects resulting from designs, specifications, or instructions provided by Buyer.
- third-party components, which shall be subject only to the warranty, if any, provided by their respective manufacturers.

## **8.6** Limitation of Liability

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, SUPPLIER'S TOTAL LIABILITY ARISING OUT OF OR RELATING TO THE PRODUCTS OR THIS AGREEMENT, WHETHER BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE, SHALL NOT EXCEED THE PURCHASE PRICE ACTUALLY PAID FOR THE DEFECTIVE PRODUCT GIVING RISE TO THE CLAIM. LIABILITY SHALL FURTHER BE SUBJECT TO THE GENERAL LIMITATION OF LIABILITY SET FORTH IN SECTION 11.

THIS LIMITATION SHALL NOT APPLY TO LIABILITY FOR DEATH OR BODILY INJURY TO THE EXTENT SUCH LIMITATION IS PROHIBITED BY APPLICABLE LAW.

THESE LIMITATIONS SHALL APPLY REGARDLESS OF THE LEGAL THEORY AND EVEN IF SUPPLIER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, TO THE FULLEST EXTENT PERMITTED BY LAW. ALL LIABILITY SHALL BE GOVERNED BY THE GENERAL LIMITATION OF LIABILITY IN SECTION 11.

## **8.7** Exclusion of Certain Damages

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL SUPPLIER BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PRODUCTION, LOSS OF USE, LOSS OF REVENUE, LOSS OF PROFIT, LOSS OF CONTRACT, OR DOWNTIME COSTS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

## **8.8** Disclaimer of Other Warranties

EXCEPT FOR THE EXPRESS LIMITED WARRANTY SET FORTH HEREIN, SUPPLIER MAKES NO OTHER WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED.

SUPPLIER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

## **8.9** Allocation of Risk

The parties acknowledge and agree that:

- the remedies and limitations set forth herein are an essential basis of the bargain between the parties,
- the purchase price reflects this allocation of risk, and
- such limitations shall apply notwithstanding any failure of essential purpose of any limited remedy, to the extent permitted by applicable law.
- Buyer expressly acknowledges and agrees to the limitations and exclusions set forth herein.

These limitations apply to all claims, whether arising under contract, warranty, tort, negligence, strict liability, or otherwise.

## **9. SERVICES WARRANTY**

**9.1** Supplier warrants that Services shall be performed in a commercially reasonable manner consistent with industry standards.

**9.2** THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED.

**9.3** Supplier does not warrant uninterrupted or error-free Services.

**9.4** Supplier shall not be liable for delays caused by site conditions, third parties, or unsafe working environments.

## **10. WARRANTY DISCLAIMERS**

**10.1** EXCEPT FOR THE EXPRESS WARRANTY ABOVE, PRODUCTS AND SERVICES ARE PROVIDED "AS IS," "WITH ALL FAULTS," AND "AS AVAILABLE."

**10.2** SUPPLIER DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING:

- (a) MERCHANTABILITY,
- (b) FITNESS FOR A PARTICULAR PURPOSE,
- (c) NON-INFRINGEMENT,
- (d) PERFORMANCE,
- (e) SYSTEM INTEGRATION.

TO THE MAXIMUM EXTENT PERMITTED BY LAW.

**10.3** BUYER ACKNOWLEDGES THAT IT HAS NOT RELIED ON ANY REPRESENTATION NOT EXPRESSLY STATED IN THIS AGREEMENT.

## **11. LIMITATION OF LIABILITY**

**11.1** TO THE MAXIMUM EXTENT PERMITTED BY LAW, SUPPLIER'S TOTAL LIABILITY SHALL NOT EXCEED THE PURCHASE PRICE PAID FOR THE PRODUCT OR SERVICE GIVING RISE TO THE CLAIM.

**11.2** SUPPLIER SHALL NOT BE LIABLE FOR:

- (a) CONSEQUENTIAL DAMAGES,
- (b) INCIDENTAL DAMAGES,
- (c) INDIRECT DAMAGES,
- (d) PUNITIVE DAMAGES,
- (e) LOSS OF PROFITS,
- (f) LOSS OF PRODUCTION,
- (g) LOSS OF BUSINESS OPPORTUNITY,
- (h) LOSS OF GOODWILL,
- (i) LOSS OF REVENUE,
- (f) DOWNTIME COSTS.

**11.3** THESE LIMITATIONS APPLY TO ALL CLAIMS INCLUDING:

- (a) CONTRACT,
- (b) TORT,

- (c) NEGLIGENCE,
- (d) STRICT LIABILITY,
- (e) PRODUCT LIABILITY.

**11.4** Buyer acknowledges that these limitations are reasonable and form an essential basis of the Agreement.

**11.5** Nothing in this Agreement excludes liability to the extent prohibited by applicable law.

## **12. PRODUCT LIABILITY AND SYSTEM INTEGRATION**

**12.1** Buyer is solely responsible for:

- (a) system integration,
- (b) compliance with laws,
- (c) safety compliance,
- (d) OSHA compliance,
- (e) final system validation.

**12.2** Supplier shall not be liable for system design or integration performed by Buyer or third parties.

**12.3** To the maximum extent permitted by law, Supplier shall not be liable under strict liability theories.

**12.4** Supplier shall not be responsible for compliance with local laws, regulations, or standards applicable to Buyer's system.

## **13. INDEMNIFICATION**

Buyer shall indemnify, defend, and hold harmless Supplier from any claims arising from:

- (a) misuse,
- (b) improper installation,
- (c) unauthorized modification,
- (d) integration into other systems,
- (e) Buyer negligence.

## **14. INSURANCE**

Buyer shall maintain adequate insurance, including:

- (a) commercial general liability,

- (b) product liability insurance,
- (c) workers' compensation.

#### **15. LIMITATION PERIOD**

Any claim must be brought within twelve (12) months after delivery.

#### **16. SOFTWARE LICENSE**

Any software, firmware, or digital content provided by Supplier is licensed, not sold.

Use of such software shall be subject to Supplier's End User License Agreement ("EULA"), which is incorporated herein by reference and forms an integral part of this Agreement.

In the event of any conflict between the EULA and these Terms, the EULA shall govern with respect to software.

Buyer agrees to comply with all terms of the EULA.

#### **17. EXPORT CONTROL**

Buyer shall comply with all export laws of the United States.

#### **18. GOVERNING LAW**

This Agreement shall be governed by the laws of the State of Delaware, excluding conflict-of-law rules and the CISG.

#### **19. DISPUTE RESOLUTION – ARBITRATION**

**19.1** All disputes shall be finally resolved by arbitration under the ICC Rules.

**19.2** Seat of arbitration: New York, New York, USA.

**19.3** Language: English.

**19.4** Arbitration award shall be final and binding.

**19.5** Supplier may seek injunctive relief or enforcement of security interests in any court of competent jurisdiction.

#### **20. ATTORNEYS' FEES**

The prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

#### **21. JURY TRIAL WAIVER**

To the extent any dispute is heard in court, both parties waive the right to a jury trial.

#### **22. SEVERABILITY**

If any provision is invalid, remaining provisions remain in effect.

**23. NO WAIVER**

Failure to enforce any provision shall not constitute waiver.

**24. ASSIGNMENT**

Buyer may not assign this Agreement without Supplier's written consent.

**25. INDEPENDENT CONTRACTOR**

Supplier is an independent contractor.

**26. SURVIVAL**

All provisions relating to limitation of liability, indemnification, arbitration, and payment shall survive termination.

END OF TERMS AND CONDITIONS