

TERMS AND CONDITIONS OF SALE OF PRODUCTS AND SERVICES

1. Acceptance. These terms and conditions of sale ("Terms") are applicable to all quotations, purchase orders and/or requests for service (collectively, "Orders"), and are the only terms and conditions applicable to the sale or other provision of Seller's products ("Products") and/or services ("Services") to Buyer, except those that relate to prices, quantities, delivery schedules and the description and specifications of the Products and/or Services. Seller hereby objects to and rejects any other terms and conditions appearing on, incorporated by reference in, or attached to, Buyer's Orders. Buyer's acceptance of Products and/or Services requested in an Order will constitute its acceptance of these Terms.

2. Billing and Payment.

(a) Payment is due within 30 days of the later of Buyer's receipt of invoice or delivery of Products and/or Services unless otherwise agreed in writing by Seller. Seller reserves the right to assess a monthly service charge of one and one-half percent (1.5%) on overdue accounts. Seller may require payment in advance if in Seller's opinion Buyer's financial condition reasonably appears to call for such action.

(b) Unless otherwise specifically indicated by Seller, prices quoted are exclusive of, and Buyer agrees to pay, shipping and related fees, foreign, federal, state, local excise, sales, use, personal property or any other taxes or duties, except only taxes based on Seller's income. Any certificates or other evidence of applicable exemptions to such taxes or duties must be provided to Seller prior to invoicing or such taxes or duties will be charged to Buyer; *provided, however*, if Seller does not collect such items from Buyer and is later requested or required to pay the same to any taxing authority, Buyer shall promptly make payment to Seller or directly to such taxing authority if requested by Seller.

(c) Payments are not subject to setoff or recoupment for any present or future claim Buyer may have.

(d) Pricing is subject to change only by Seller upon any change in information and/or requirements during the course of an Order. Otherwise all pricing is firm. Seller does not represent that its prices will be the lowest charged to any other customer or comparable to prices offered by any third party.

3. Changes. Orders may be amended by either party by written change order signed by both parties setting forth the particular changes and effect of such changes on price and/or time of delivery. Seller reserves the right to charge Buyer additional fees for changes in drawings and/or designs required after Product installation and/or set-up resulting from: (1) incorrect tolerances furnished by Buyer; (2) deviations from specifications submitted by Buyer; and (3) causes beyond Seller's control, including, but not limited to, misaligned, maladjusted, or malfunctioning existing tie-in equipment, inadequate support systems, improper installation, modification and damage. Seller reserves the right to terminate any Orders without further obligation if it determines it is not commercially practicable to meet the required specifications.

4. Place of Delivery and Method of Tender.

(a) Delivery terms are FCA Seller's Plant (Incoterms 2010) unless otherwise agreed to in writing by Seller. Seller will arrange for an appropriate means of transportation of Products. Buyer agrees to pay all transportation charges incurred after Products are delivered to the carrier unless Seller otherwise agrees in writing.

(b) Buyer shall bear any special expenses, including special handling, packaging and additional freight charges, if Buyer furnishes special transportation instructions.

(c) When "export packing" is required, Buyer shall be responsible for any extra charges such as export duties, licenses, fees and the like.

(d) Orders for Products to be exported are subject to Seller's ability to obtain export licenses and other necessary papers within a reasonable period. Buyer will furnish all Consular and Customs declarations and will accept and bear all responsibility for penalties resulting from errors or omissions thereon. Buyer will not re-export the Products or any products or items which incorporate the Products if such re-export violates local or U.S. export laws.

(e) Title and risk of loss or damage to the Products or any part of the Products will pass to Buyer upon delivery to carrier at the point of shipment and Buyer shall be responsible for filing any damage claims with the carrier.

(e) Products and/or Services are deemed accepted unless Buyer provides Seller with written notice of rejection within 20 days after delivery or a shorter period agreed to in writing by the parties.

5. Installation; Maintenance. Unless otherwise specified in writing on a quotation provided by an authorized representative of Seller, Buyer assumes responsibility for installation of Products. Seller agrees to make installation and on-site technical support services available at Seller's then-prevailing rates. Buyer is responsible for all additional charges/fees related to delays due to its failure to comply with its defined portion of the installation plan (e.g., not providing agreed upon access to the production/packaging line, not complying with pre-installation checklist). Installation does not include mechanical, electrical, pneumatic, water or ventilating tie-ins to existing systems. Buyer assumes responsibility for all Product maintenance. Seller shall make maintenance services available at its then prevailing rates.

6. Limited Warranties. Seller warrants the Products and Services in accordance with its standard warranty policies, available on Seller's web site at www.videojet.com. THESE WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. No employee or agent of Seller, other than an officer of Seller by way of a signed writing, is authorized to make any warranty in addition to the foregoing. Certain printing applications may be regulated by the United States Food & Drug Administration or by laws in other jurisdictions. These may include applications where ink may come into contact with medical devices, pharmaceuticals, cosmetics, food or other substances intended for consumption, or veterinary health products. It is the responsibility of the Buyer to

11. Hazardous Materials. Buyer acknowledges that certain materials covered by this Agreement may currently or later be considered hazardous materials under various laws and regulations. Buyer agrees to familiarize itself (without reliance on Seller except as to the accuracy of special safety information furnished by Seller), with any hazards of such materials, their applications and the containers in which such materials are shipped, and to inform and train its employees and customers as to such hazards. Buyer shall hold Seller harmless against any claims by its agents, employees or customers relating to any such hazards except to the extent such claims arise solely and directly from Seller's failure to meet written specifications or the inaccuracy of specific safety information furnished by Seller.

12. Products Not for Resale. Buyer represents and warrants that it is purchasing the Products for its own use and not for resale purposes. If Buyer breaches the foregoing, Seller may: (a) void, eliminate and/or refuse to continue to make available to Buyer any volume or other type of discount, rebate or preferential payment term; (b) cancel the Order; and/or (c) refuse to accept any further Orders from Buyer. This provision does not apply to Seller's authorized third party sellers, including distributors and OEMs.

13. Delay.

(a) Delivery dates are approximate and not guaranteed. Seller will not be liable for any damages or costs resulting from any delays in performance.

(b) Buyer may terminate a non-custom Order without penalty only for delays in excess of 30 days, and only as to the undelivered portion.

14. Cancellation. Except as otherwise provided herein, all sales are final. Buyer may not cancel Orders for custom Products or Products that have left Seller's dock. All other Orders are subject to a 10% cancellation fee. In the event of cancellation, Seller is entitled to all costs incurred plus a reasonable profit. Cancellation must be in the form of a certified letter to Seller.

15. Force Majeure. Except for Buyer's payment obligations, neither party shall be liable for delays in performance, in whole or in part, or any loss, damage, cost or expense, resulting from causes beyond its reasonable control, such as acts of God, fire, strikes, epidemics, embargos, acts of government or other civil or military authority, war, riots, delays in transportation, difficulties in obtaining labor, materials, manufacturing facilities or transportation, or other similar causes ("Force Majeure Event"). In such event, the party delayed shall promptly give notice to the other party. The party affected by the delay may: (a) extend the time for performance for the duration of the Force Majeure Event, or (b) cancel all or any part of the unperformed part of this Agreement and/or any Purchase Order if such Force Majeure Event lasts longer than sixty (60) days. If a Force Majeure Event affects Seller's ability to meet its obligations at the agreed upon pricing, or Seller's costs are otherwise increased as a result of such Force Majeure Event, Seller may increase pricing accordingly upon written notice to Buyer.

16. Governing Law; Venue; Actions; Attorneys Fees. This Agreement is governed by and construed in accordance with the laws of the State of Illinois without regard to conflicts of laws provisions. The parties consent to the sole and exclusive venue and jurisdiction of the federal and state courts situated in or having jurisdiction over DuPage County, Illinois. The United Nations Convention on Contracts for the International Sale of Goods shall not apply. Any action by Buyer for loss or damage arising from or related to the Products and/or Services must be commenced within the earlier of one (1) year from the date of delivery or occurrence of the event, or such claim will be forever barred. If Seller substantially prevails in any legal dispute, Buyer shall pay all reasonable costs incurred by Seller, including but not limited to collection costs, attorneys' fees and costs of legal action.

17. Entire Agreement; Modifications; Waiver. These Terms are the entire agreement between the parties, there being no other promises, terms, conditions, or obligations, referring to the subject matter not contained herein. If any provision of these Terms to any extent is declared invalid or unenforceable, the remainder of these Terms will not be affected thereby and will continue to be valid and enforceable to the fullest extent permitted by law. Any modifications hereto must be in writing and signed by both parties. Seller's failure to strictly enforce any of these terms shall not be considered a waiver of any of its rights hereunder. If any term herein is declared invalid or unenforceable to any extent, the remainder of these Terms will not be affected thereby, and each term herein will continue to be valid and enforceable to the fullest extent permitted by law.

THE FOLLOWING ADDITIONAL PROVISIONS APPLY TO ANY START-UP CARE OR SERVICE CARE PACKAGE ("CARE PACKAGE") SOLD WITH THE EQUIPMENT:

18. Services.

(a) Seller shall provide maintenance services for the equipment covered in the respective Care Package ("Equipment") and repair services for the Equipment if the Equipment fails to conform to Seller's specifications (collectively, "Care Package Services").

(b) Replacement parts will be new or equivalent in performance to new parts, at no extra charge to Buyer. Parts being replaced will be the property of Seller. Buyer acknowledges certain parts may be subject to discontinuance by the manufacturer, in which event Seller's obligation shall be limited to making reasonable efforts to replace such discontinued parts with an equivalent part.

(c) Seller shall provide Care Package Services during Seller's normal business hours, 8:00 a.m. to 4:30 p.m. local time, Monday through Friday, excluding Seller holidays. Seller will provide Care Package Services on Buyer's premises unless it is necessary to remove Equipment, or a portion thereof, to the Seller's repair depot. Seller shall obtain Buyer's consent prior to removing Equipment.

(d) The following services are not included in Care Packages and Buyer shall be charged separately for any such service, unless otherwise expressly provided in a Care Package: (1) maintenance of accessories or attachments; (2) maintenance of Equipment if Buyer's modification of Equipment has materially increased cost of maintenance; (3) overhauling or rebuilding of Equipment; (4) replacement of continuous ink jet nozzles for Videojet Excel, Triumph or 37 series printers; (5) replacement of thermal transfer printheads if Buyer uses supplies and other consumables not approved by Seller for use

ensure compliance with any such regulations.

7. Software License. Seller grants Buyer a non-transferable, non-sublicenseable, non-exclusive, license to use software contained or embedded in the Products ("Software") solely in conjunction with operation of Products as permitted by Seller. All other rights, title and interest in the Software shall remain the exclusive property of Seller or its licensors. Buyer is prohibited from (a) reproducing the Software, any component thereof or any documentation related thereto, and (b) decompiling, disassembling, compiling or reverse engineering the Software or otherwise attempting to gain access to the Software source code. Buyer shall not use, duplicate or disclose any technical data or any information regarding the Software for any purposes. These rights are subject to any underlying license to Seller from a third party of any component or application of the Software.

8. Limitation of Buyer's Remedies. IN NO EVENT WILL SELLER BE LIABLE FOR SPECIAL, INDIRECT, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, THIRD PARTY OR PUNITIVE DAMAGES INCLUDING WITHOUT LIMITATION THOSE BASED ON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, TORT, OR ANY OTHER LEGAL, EQUITABLE OR STATUTORY CLAIM, CAUSE OF ACTION OR LEGAL THEORY. IN ANY EVENT OF LIABILITY, SELLER'S LIABILITY SHALL BE LIMITED TO ACTUAL DAMAGES TO THE EXTENT DIRECTLY AND SOLELY CAUSED BY SELLER'S MATERIAL BREACH. EXCEPT AS OTHERWISE PROHIBITED BY LAW, SELLER'S MAXIMUM LIABILITY HEREUNDER REGARDLESS OF LEGAL THEORY WILL NOT EXCEED PRICE OF SELLER'S PRODUCTS AND/OR SERVICES GIVING RISE TO THE CLAIM. IN NO EVENT WILL SELLER BE REQUIRED TO INDEMNIFY BUYER OR ANY OTHER PARTY.

9. Seller's Remedies. Without waiving any other rights or remedies available to it under applicable law or otherwise, Seller may defer performance hereunder or under or pursuant to any other contract with Buyer, until all past-due accounts of Buyer are fully satisfied. Seller's rights and remedies in these Terms are in addition to, and not in lieu of, any other rights or remedies Seller may have at law or in equity.

10. Proprietary Rights. Seller will retain all intellectual property rights to designs, drawings, patterns, plans, specifications, technology, technical data and information, technical processes and business methods, whether patentable or not, arising from the sale or other provision of Products and/or Services to Buyer. Buyer agrees not to enforce against Seller or Seller's customers any patent rights that include any system, process or business method utilizing or otherwise relating to Products and/or Services delivered pursuant to an Order. Seller will not furnish any data, other than installation and specification data, unless it is specifically requested in an Order. The parties will separately negotiate rights and price for such data.

with Equipment; and (6) de-installation or reinstallation of Equipment or any part thereof at Buyer's request. Care Packages do not cover repairs or maintenance necessitated by (i) Buyer misconduct, accident, neglect or misuse; (ii) failure of installation site to conform to Seller's applicable specifications; (iii) failure or inadequacy of electric power, humidity or air control; (iv) Buyer's use of supplies and other consumables not approved by Seller for use with Equipment; (v) Buyer's failure to follow operating procedures provided by Seller; (vi) service or maintenance performed by a third party or an unauthorized representative of Seller; and (viii) a Force Majeure Event.

(e) The Rate identified in each Care Package is based on Seller performing Care Package Services at the location identified in the Care Package. If Buyer relocates Equipment or any part thereof, Seller may increase the Rate if such relocation affects Seller's cost of performing its obligations hereunder.

19. Buyer's Obligations.

Buyer shall, at its expense: (1) exercise reasonable care in operation and normal maintenance of Equipment; (2) operate Equipment within Seller's published specifications (including, without limitation, all environmental specifications); (3) maintain Equipment in conformance with Seller's maintenance standards, which shall include following and performing Seller's recommended customer care and cleaning program between calls of Seller's service representative; (4) properly maintain installation site and operating environment; and (5) provide necessary utility services for use of Equipment in accordance with Seller's specifications.

20. Term.

(a) The effective date and term of a Care Package shall be as identified in the Care Package or Order. If the Care Package is a Start-Up Care Package, the term shall be 9 months from the effective date.

(b) Either party may terminate a Care Package at any time and for any reason upon 30 days prior written notice to the other party. However, the parties acknowledge and agree that the term of each Care Package is the essence of Seller's pricing and Seller will suffer losses if the Care Package is terminated prior to the natural expiration of the term. In the event of early termination, the Buyer shall pay an early termination fee to reimburse Seller for such losses, which fee is to be construed as liquidated damages and not as a penalty. The early termination fee will be computed as follows: Months Remaining in Care Package Term x Monthly Rate (Pro-Rated for Annual/Quarterly Agreements) x 65%. This early termination fee shall not apply to any renewal terms or in the event of termination by Seller pursuant to this paragraph.