



Standard Terms and Conditions of Sale Standard Warranty

Definitions

Seller is an entity of Baldwin (either Baldwin Technology, Ltd or Air Motion Systems, Inc. depending on the final sales contract).

Equipment is the system, product or products manufactured by the seller.

End-User the final recipient and user of the equipment.

Buyer is the purchaser of the equipment from Seller, and may or may not be the End-User, if the equipment is resold to another customer.

Process is the act of applying ink, coating, adhesive or other medium to a substrate which may be paper, plastic, metal or other, or transporting substrate through the equipment.

Quotation is the numbered sales document issued by the Seller to the Buyer or OEM describing the specific scope and terms of sale offered to the Buyer or OEM.

Contract is the entire agreement between the parties constituted by the Seller's Quotation, the Seller's "Standard Terms and Conditions of Sale", and the Seller's written acceptance of the Buyer's purchase order.

Suitability and Disclaimer

Seller's suggested application of the equipment is based on the description of the desired Process by the Buyer or End-User and the Seller's experience and understanding of common materials and processes available. Design changes in the process or equipment could alter the basis of both the price and technical specification. Supplier's equipment is under constant review for design changes and improvements. Supplier reserves the right to upgrade the specification if necessary in this respect prior to the purchase order being placed. The suitability of the equipment for applications contemplated by the Buyer and/or End-User is the Buyer's and/or End-User's sole responsibility.

Pricing

Prices are subject to change prior to receipt and acceptance of any purchase order issued in response to this Proposal. The Proposal price assumes that standard Supplier's system configurations can be utilized; deviations to Supplier's standard specification will be chargeable at extra cost.

Shipping Dates

Shipping dates for quotation purposes are estimated. Due to the complicated nature of the equipment and the unpredictable execution of the order and initiating payments by the various parties involved, shipping



and delivery dates are non-binding unless agreed upon by execution of a separate document to be titled in all cases "Binding Delivery Agreement" which must be signed by an Officer of the Seller.

Taxes and Duties

All Prices are quoted without taxes of any kind. Buyer agrees to pay all applicable State, local, sales, import and/or duties immediately upon receipt of the equipment.

Payment

Terms of payment are specified in the Seller's Quotation and are final upon acceptance of the Contract by both parties as defined in this document. Payments made to Seller are not refundable under any circumstances.

Cancellations

All sales are final. Orders cannot be cancelled or changed by Buyer without penalty upon acceptance of the Contract by both parties as defined in this document.

Seller reserves the right to cancel any purchase orders or to suspend delivery of any Equipment:

- If compelled to do so by reasons beyond Seller's control;
- For Buyer's failure to pay the purchase price when due; or where Seller is reasonably of the opinion that Buyer cannot provide Seller written assurance of Buyer's ability to perform its responsibilities under its Purchase Order.

Any such suspension of delivery or termination of a contract by Seller shall be without prejudice to any other rights, which Seller may have against the purchaser.

Performance

Supplier assumes no responsibility for the quality or performance of inks, coatings, adhesives or other materials processed by the Buyer using Supplier supplied Equipment.

Unless specifically stated elsewhere, this Proposal contains no provision for performing Machinery Qualification Runoffs (eg. a 20 hour dry run) or any other Buyer specific requirements detailed in the QS-9000 Tooling and Equipment Standards. Should Buyer specify such a requirement in writing, a revision to the contract price and/or delivery commitment may be necessary.

Acceptance

Use of the equipment for production purposes and/or subsequent sale of goods produced with the equipment constitutes final acceptance ("Acceptance") of the equipment and completion of installation. Should final acceptance of the equipment exceed 90 days from delivery of said equipment or 30 days from initial operation of the equipment, the equipment will be considered accepted.

Equipment Design



Buyer and/or End-User acknowledge that Seller retains all right, title and interest in and to the design of the Equipment and all discoveries, inventions, technology and/or know-how related thereto. Buyer and/or End-User will not reverse engineer or otherwise disassemble or copy the Equipment in connection with any plan or effort to reproduce the Equipment and/or to manufacture, market and/or sell products competitive therewith, and/or knowingly permit or enable others to do so. Unless otherwise approved in writing by Seller, Buyer and/or End-User will not sell, transfer or otherwise dispose of the equipment except in connection with (A) a sale of all or substantially of Buyer's and/or End-User's assets, provided Buyer's and/or End-User's transferee has agreed to be bound hereby or (B) destruction and final disposal of the equipment.

Laws and Codes

Unless otherwise represented, Seller cannot represent to Buyer and/or End-User that the equipment conforms to all aspects and interpretations of local laws and codes, but will quote additionally if requested, engineering changes and hardware necessary to meet Buyer's and/or End-User's interpretation of said codes.

Compliance with European Standards: on satisfactory completion of the installation, a CE Compliance document may be issued. It is important that on completion of installation, a Seller site engineer is given adequate time to finalize the CE certification requirements on Equipment prior to commencement of production. Seller cannot issue a Declaration of Incorporation for the Equipment until the CE Certification tests have been completed. Should a further visit at a later date be necessary to carry out this work through no fault of Seller, this additional visit will be chargeable.

Force Majeure

The failure of either party to perform its obligations if caused by Force Majeure, as defined below, shall not constitute a breach of the Contract, nor subject the party so failing to any liability to the other; provided, however, that the party affected by such Force Majeure shall promptly notify the other party of (i) the existence of such Force Majeure, (ii) its expected duration, (iii) the estimated effect such Force Majeure will have on the notifying party's ability to perform its obligations under this Contract, and (iv) when such Force Majeure circumstances have ceased to affect its ability to perform its obligations hereunder.

As used herein "Force Majeure" means any circumstance beyond the reasonable control of the affected party, including, without limitation, the following: an act of God, or the public enemy, accident, explosion, fire, storm, earthquake, flood, drought, perils of the sea, the elements, casualty, strikes, lockouts, labor troubles, (whether or not such labor trouble is within the reasonable control of the party affected thereby), riots, sabotage, embargo, war, Federal, state, municipal or other law regulation or order (including laws, regulations and orders pertaining to protection of the environment).

Either party affected by a Force Majeure circumstance shall use its best efforts to eliminate and/or mitigate the effect of such Force Majeure.

Entire Agreement

The Buyer's order shall become binding upon documented acceptance of the Contract (defined earlier) by both parties and further evidenced through Buyer's performance of the initial payment. The terms and



conditions contained herein shall not be modified by the use of any purchase order or similar form by the Buyer, unless such a modification is contained in the Contract or in a written supplemental agreement.

Orders must comply with the Quotation. Any exception or additional condition or variation of any term requires the issuance of a new Quotation. Purchase orders are in acceptance of the terms as listed on the referenced Quotation issued by an Officer of the Seller.

STANDARD WARRANTY

Scope and Term

Supplier warrants the Equipment to be free from defects in materials and workmanship for a period of one (1) year from Acceptance, unless otherwise noted in the customer quotation.

Liability

The sole liability of Supplier and the exclusive remedy of Buyer arising out of the performance of services or supply of Equipment or their use, whether arising under contract, in particular any breach of condition, expressed or implied, tort, or otherwise shall be the modification, adjustment, repair or replacement of the Equipment, re-performance of the services or refund of the purchase price. Supplier and Buyer agree that, in consideration of the above express warranty and any performance guarantee specifically set forth in Supplier's proposal, all other warranties, representations, and guarantees whether expressed or implied by statute, common law or otherwise are hereby excluded to the fullest extent permitted by law.

Warranty Exemptions

- 1. Improper Use and/or Repair.** The Seller's warranty shall be void if the improper handling by the Buyer or End-User results in defects, wear, or breakage, or if the Buyer remedies defects in an improper manner, bypasses system alerts or safety precautions, or otherwise intentionally or unintentionally alters the performance of the equipment without Seller's knowledge and written approval. Improper contact with the process or the customer's environment, including but not limited to contamination of the equipment and/or its components by ink, coating, dust, powder, heat, water, oil, grease, solvents and/or other contaminants shall also void the Seller's warranty.
- 2. Improper Cooling.** The Seller's warranty shall be void if improper cooling is provided to the necessary components of the Equipment. Improper handling includes operation of the equipment without cooling or with inadequate or improperly maintained cooling equipment, without filters or with improperly maintained air or water cooling filters, or with improperly maintained or treated cooling water. Operating the Equipment at unsafe cooling temperatures in humid environments can also lead to condensation damage, which shall further void the Seller's warranty.
- 3. Improper Use of Replacement Parts and/or Consumables.** The Seller's warranty shall be void if wearing or replacement parts are used in connection with the Equipment that are obtained from sources other than the Seller.



4. **Improper Disassembly.** The Seller's warranty shall be void if the Equipment and/or component assemblies of the Equipment are accessed and/or disassembled where secure fasteners or seals have been employed to protect them.
5. **Failure to Notify.** The Seller's warranty is void if the Buyer or End-User fails to notify Seller of excessive wear or unusual operation that may indicate improper function and result in more serious damage if not remedied in a timely manner.
6. **Additional Exclusions.** The Seller's warranty excludes consumables and wearable parts and components, including but not limiting to such items as reflector inserts, coolants, lubricants, water pump seals, o-rings, optical glass or quartz windows and inserts, fuses, indicator lamps, and replaceable bulbs and/or light emitting diodes that are subject to degradation and damage over their operating lifetime.
7. **Improper Deactivation of Online Support Connection/Equipment.** Where included as a condition of the warranty (such as with the AMS Spectral UV ProConnect™ IoT Warranty), if the Internet connection and/or its related support equipment is deactivated or disconnected from online access, this shall void the Seller's warranty.

Support

The Seller will support the equipment during the warranty period in the following manner:

1. Buyer is required to contact Seller reporting the failure and any potential actions that were conducted to repair the failure respectively find a work around solution.
2. Buyer to perform trouble shooting and root cause evaluation as per Seller's instructions.
3. Remote monitoring via online maintenance application where possible, or if included in the condition of the warranty (such as the AMS ProConnect™ Warranty). The End-User is responsible to supply and maintain at all times an internet connection of suitable bandwidth >512Kbps for the use of Seller's service personnel. This connection along with assistance from the End-User's operators or maintenance personnel will allow the remote diagnostic evaluation of any failure or irregularity.

Repair/Replacement of System Parts and Assemblies

Several of the assemblies of the equipment have been designed in a modular and removable manner to allow for faster trouble-shooting and/or off-site service and repair. At the direction of Seller support personnel, Seller may require the removal of an assembly by the Buyer, End-User or on-site Seller technician for exchange with another like assembly for trouble shooting or replacement purposes. Similarly, Seller may require the return of equipment by the Buyer or End-User for factory repair service.

Any claim must be raised within the warranty period. The Equipment under warranty must be returned at the Buyer or End-User's expense, unbroken and with all seals intact to Seller with a completed warranty return request form stating the number of hours run and the reason for return. The unit must be shipped back in appropriate packaging with all external electrical connections protected for Electro Static Discharge (ESD). Water cooled units must be drained prior to shipping.



Seller reserves the right to have access to the operating parameters stored in the assembly driver board or system controllers for verification of warranty claim. If these procedures are not adhered to, no credit will be made. Any assemblies that are mechanically broken, contaminated with process deposits, damaged by water or heat are not creditable. Replacement parts are guaranteed for the remainder of the original warranty.

1. **On-site Service by Seller Designated Technicians.** Seller may authorize and direct designated personnel for an on-site service visit to be coordinated with Buyer and/or End-User. Seller will not be responsible for charges of third party service providers not contracted by the seller or possible damages that may result from unauthorized service.
2. **Replacement of Wearing Parts.** Wearing parts are excluded from the warranty, but may carry warranties of their own (e.g. infrared and ultraviolet lamps, reflector inserts, emitter windows, o-rings, etc.). Normally non-wearing parts may be considered wearing if they contact the Process (ink, coating, substrates, cleaners etc. or their dust or mist), and are damaged by the Process, or become unserviceable due to contamination by the Process and an insufficiency of cleaning.

In case the direct intervention discovers that the failure was not caused by Seller's Equipment, but by something else, Seller will charge labor and travel associated costs to Buyer.

Pro-rata LED Chip Lifetime Output Warranty

Seller's LED curing systems are provided with dedicated warranty terms for the LED chip package assembly ("Chip Packages", also referred to as "Array Blocks"), which are considered long-term wearing components of the Equipment. Excluding any causes described in the Warranty Exemptions section of this document, LED Chip Packages are warranted to be free from defects in workmanship and material for a period of 36 months from first use, 38 months from shipment, or 20,000 hours whichever occurs first with a radiation output reduction of at least 25% compared with new.

The LED Chip Packages and Array Blocks contain large numbers of individual LED dies with designed redundancy and failure to light at curing power of less than 20% of dies does not constitute a failure unless in the opinion of Seller the output performance or uniformity has been unduly compromised.

Within the warranty period when a failure does occur outside of the Warranty Exemptions listed herein, if it occurs before 5,000 hours and within 36 months from first use (or 38 months from shipment), the failed LED array block will be repaired or replaced at Seller's option.

If failure occurs after 5,000 hours, pro-rata credit will be given to any repair or replacement whose failure occurred outside of the Warranty Exemptions listed herein. For example, if the LED Array Block fails after 5,000 hours then a 75% credit will be given. If the LED array block fails after 10,000 hours then a 50% credit will be given.

In case the lifetime hours of the LED Chip Package cannot be accurately determined, then a timeframe of 0-36 months from date of first use (not to exceed 2 months from date of shipment) shall be used to determine the pro-rata credit. If failure occurs after 12 months, then pro-rata credit will be given to any repair or replacement whose failure occurred outside of the Warranty Exemptions listed herein. For



example, if the LED Array Block fails after 18 months, a 50% credit will be given. If the Array Block fails after 24 months, a 33% credit will be given.

Claimed Defect

In the event of serious on-going machine problems that affect production operations, Seller will be allowed a reasonable amount of time to make changes necessary to meet quoted specifications. Reasonable time is defined as the time necessary for engineering design changes, fabrication of new components and / or delivery of components from outside suppliers to the Seller. In addition, Seller requires reasonable time from the Buyer and/or End-User to access Buyer's and/or End-User's equipment for the remedy of such problems.

Indemnification

Buyer and End-User agree to indemnify and hold Seller harmless from any claims by third parties stemming from the use of the equipment/product.