

Telephone: (814) 336-9000 Fax: (814) 724-1590 www.alphalaser.com

## **Terms and Conditions**

- Contract Formation.
- 1.1 Offer. Alpha Laser-U.S., Inc.'s ("Alpha Laser") proposal, quote, sales order and/or Alpha Laser's invoice (collectively, the "Quote") constitutes an offer for the sale of goods (the "Goods") and includes all the terms and conditions contained herein (the "Terms and Conditions").
- 1.2 Acceptance. Any purchase order or other form of acceptance issued by the Buyer in response to a Quote from Alpha Laser shall result in a contract for the purchase of the Goods at the price quoted in Alpha Laser's Quote and shall be subject to these Terms and Conditions. Alpha Laser does not accept any terms contained in any purchase order or other documents issued by Buyer which are different from, conflict with, modify and/or add to these Terms and Conditions. Alpha Laser's execution of any document issued by the Buyer shall constitute only an acknowledgement of receipt thereof, and shall not be construed as an acceptance of any of the terms therein. Unless Buyer shall have set forth each specific objection to these Terms and Conditions in a separate writing signed and dated by Buyer and delivered to Alpha Laser contemporaneously with Buyer's purchase order or other acceptance document, Buyer shall be deemed to have accepted all of these Terms and Conditions. Buyer's issuance of a purchase order or other document which purports to reject some or all of these Terms and Conditions by virtue of Buyer's standard form language, or otherwise, shall not be sufficient objection. Where Buyer specifically objects to any of these Terms and Conditions, no contract shall be formed unless and until Alpha Laser agrees to accept in writing Buyer's proposed modifications to these Terms and Conditions.
- 1.3 Entire Agreement. The Quote and these Terms and Conditions shall constitute the entire understanding and agreement (the "Contract") between Buyer and Alpha Laser. Any representation, promise, course of dealing, course of performance, custom or trade usage will not be binding upon either party. This Contract may not be amended or modified except by a writing executed by both parties.
- 2. Purchase and Sale. Subject to these Terms and Conditions, Buyer agrees to buy, and Alpha Laser agrees to sell, the Goods, for the purchase price specified in the Quote. All quotes are valid for thirty (30) days from the date listed on the quote.
- 3. Taxes. Buyer shall be responsible for, and shall pay, any taxes (sales, excise, use, etc.) and any export or import duties which may be applicable to the sale and/or delivery of the Goods and to the performance of any warranty work on the Goods as may be required under Section 6.6. Buyer shall defend, indemnify and hold Alpha Laser harmless from any claim, loss, damage, liability or expense incurred with regard to the payment of any such taxes or duties.



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- 4. Payment; Security Interest.
- 4.1 Generally. Buyer shall pay the purchase price, all applicable taxes, freight charges, and all other applicable charges in full, in U.S. Dollars, without any deduction for claims, set-offs or recoupment on account of this Contract or any other matter between the parties within the time periods set forth below in Section 4.2 and Section 4.3, below. Payment shall not be contingent upon use or upon field tests. If payment is delayed beyond the date on which it is due, interest shall accrue and be payable by Buyer on the unpaid balance at a rate of one and one-half percent (11/2%) per month.
- 4.2 Payment. Unless otherwise specified by Alpha Laser in the Quote, the payment terms are as follows:
- 4.2.1 For Machine Purchases: The buyer shall pay the purchase price in three (3) installments. The first payment, equal to twenty-five percent of the purchase price, shall be due upon submitting the purchase order to Alpha Laser. The second payment, equal to fifty percent of the purchase price, shall be due upon notification from Alpha Laser that the machine has shipped from the supplier to Alpha Laser's location. If the Buyer purchases a stock machine that is already located at Alpha Laser, both the first and second payments, or seventy-five percent of the machine purchase, is immediately due upon receiving the purchase order from the Buyer. The third payment, equal to twenty-five percent of the purchase price, shall be due upon completion of installation and/or training of the laser welding system.
- 4.2.2 For spare parts/service Purchases: The buyer shall pay the purchase price of the invoice within thirty (30) days of the invoice date, regardless of whether or when delivery of shipment of the Goods is actually made.
- 4.3 Security Interest. Buyer hereby grants to Alpha Laser a security interest in the Goods until all monies due Alpha Laser under this Contract are paid in full. Alpha Laser shall have the right to file financing statements and any other documents that may be necessary to evidence and perfect such a security interest in the Goods in any jurisdiction. The Buyer acknowledges that the security interest granted under this Section 4.3 is a purchase money security interest under applicable law. As such, Alpha Laser shall be entitled to all applicable rights and remedies of a secured party under applicable law.
- 5. Delivery.
- 5.1 Date. Any delivery date stated in the Contract is approximate only and shall not constitute any guarantee of delivery on any particular date. Time shall NOT be of the essence of the Contract.



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- 5.2 Terms. Unless otherwise specified by Alpha Laser-US, Inc. in the Quote: (1) delivery of the Goods shall be Ex Works Alpha Laser's factory, located either in Meadville, Pennsylvania, USA or Puchheim, Germany (Incoterms 2010); and (2) any delivery terms specified in the Quote shall be construed in accordance with Incoterms 2010.
- 5.2.1 Machine Sales. For invoices involving the sale of Alpha Laser machinery, standard payment terms are 25% due upon purchase order, 50% due upon the machine shipping from Alpha Laser (Germany) and 25% due upon completion of installation and training. If Customer is purchasing a stock machine that is located at the Alpha Laser-US facility in Meadville, Pennsylvania, the first two payments totaling 75% will be due upon purchase order, as the machine has already shipped from Alpha Laser (Germany) in this case, the final payment of 25% will still be due upon completion of installation/training. If payment terms deviate at all from the aforementioned terms, they will be clearly listed on an Order Acknowledgement provided to the Customer for acceptance. If final payment is not received upon the completion of installation/training, Alpha Laser-US, Inc. retains the right to disable the welding system until payment is received or remove the asset from the Customer facility until full payment is received.
- 5.2.2 Spare Parts and Service. For all spare parts/service/other invoices, standard payment terms are net (30) days. Discounts will not be accepted for early payments. If payments are not received by Alpha Laser-US, Inc. within thirty (30) days of the invoice date, Alpha Laser-US, Inc. may charge interest on any such unpaid amounts at a rate of one and one-half percent (1.5%) per month or, if lower, the maximum amount permitted under applicable law, from the date such payment was due until the date paid; suspend performance for all service and shipments until payment has been made in full; recover all costs of collection, including reasonable attorneys' fees.
- 5.3 Freight. Notwithstanding the provisions of Section 5.2, above, unless otherwise directed by the Buyer in writing or otherwise expressly specified in the Quote, Alpha Laser shall arrange for carriage of the Goods. Buyer shall be solely responsible for the cost of carriage of the Goods, regardless of any delivery terms (including Incoterms) specified in the Quote.
- 5.4 Risk of Loss; Title. Risk of loss shall pass from Alpha Laser to the Buyer in accordance with the delivery terms applicable to this Contract, as specified in Section 5.2, above. Title to the Goods shall pass from Alpha Laser to the Buyer upon the passage of risk of loss from Alpha Laser to the Buyer.



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- 5.5 Delay in Performance by Alpha Laser. Alpha Laser shall not be responsible to Buyer or any third party for any damages resulting from any failure or delay in manufacturing, delivery or shipping due to any cause beyond Alpha Laser's reasonable control, including, but not limited to: (1) intervening legal requirements or governmental directives; (2) acts of God; (3) force majeure; (4) labor disputes; (5) delays caused by Alpha Laser's suppliers or vendors; or (6) war, terrorism, or similar disruptions.
- 5.6 Delay of Delivery or Shipment by Buyer. If delivery or shipment is delayed by Buyer, Alpha Laser may arrange for storage of the Goods at Buyer's sole expense. In such event, risk of loss to the Goods shall pass to Buyer upon placing the Goods in storage, unless risk of loss has already passed to the Buyer pursuant to the delivery terms applicable to this Contract, as specified in Section 5.2, above, in which case risk of loss shall remain with the Buyer. If storage of the Goods is at a location other than Alpha Laser's factory, Buyer shall be responsible for all storage, handling and other expenses actually incurred by Alpha Laser in effectuating the storage of the Goods. If storage of the Goods is at Alpha Laser's factory, Alpha Laser shall be entitled to collect from Buyer a storage charge of \$25.00 per day per unit. Alpha Laser shall not be obligated to deliver or ship the Goods until all storage charges and related expenses have been paid by the Buyer. Storage charges shall commence on the original due date for delivery and shall continue until shipment of the Goods to the Buyer. Alpha Laser shall have the right to invoice Buyer for storage charges on a weekly, bi-weekly, monthly or other periodic basis, at Alpha Laser's option. Payment on such invoices shall be due thirty (30) days from the date of the invoice. If Buyer delays delivery or shipment of the Goods for a period of more than ninety (90) days, or otherwise fails to take delivery of the Goods within ninety (90) days from the original due date for delivery, Alpha Laser may declare Buyer in default and exercise its remedies, as contemplated by Section 9, below.
- 6. Warranties.
- 6.1 Limited Warranty. Alpha Laser is a distributor and does not manufacture any of the Goods which Alpha Laser sells. The Goods sold by Alpha Laser are covered by the manufacturer's warranty extended by Alpha Laser, GmbH as described in the documentation which accompanies the Goods. To obtain warranty service, please follow the instructions in Alpha Laser, GmbH's Warranty.
- 6.2 DISCLAIMER. ALPHA LASER HEREBY DISCLAIMS ALL IMPLIED WARRANTIES (EXCEPT WARRANTY OF TITLE), INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTY OF MERCHANTABILITY AND THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.



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- 6.3 SOME JURISDICTIONS LIMIT OR DO NOT ALLOW THE DISCLAIMER OF IMPLIED OR OTHER WARRANTIES, SO THE ABOVE DISCLAIMER MAY NOT APPLY TO YOU.
- 6.4 YOU AFFIRM THAT ALPHA LASER SHALL NOT BE LIABLE, UNDER ANY CIRCUMSTANCES, FOR ANY BREACH OF WARRANTY CLAIMS OR FOR ANY DAMAGES ARISING OUT OF THE MANUFACTURER'S FAILURE TO HONOR ITS WARRANTY OBLIGATIONS TO YOU.
- 6.5 Length. Unless otherwise specified in the Quote, the limited warranty set forth in this Section 6 begins on the date of delivery to Buyer or 3 months after notification that Goods are ready for delivery and lasts for one year or 1,500 hours of operation.
- 6.6 Alteration; Abuse. The limited warranty set forth in this Section 6 shall be void with respect to Goods which have been: (1) altered by Buyer or any third party; (2) repaired by other than Alpha Laser personnel or a Alpha Laser approved contractor; (3) subjected to misuse, abuse, neglect or accident; or (4) damaged by improper installation or application.
- 6.7 Exclusions. The limited warranty set forth in this Section 6 shall not apply to, and no warranty is given with respect to: (1) external fibers; and (2) optics.
- Assignment of Third Party Warranties. If the Goods contain components which are manufactured by third parties (such as, but not limited to), and which carry a warranty from the manufacturer, Alpha Laser shall assign such warranties to Buyer, to the extent permitted by the terms of such warranties. Alpha Laser makes no representations or warranties with respect to any such warranties, and Buyer shall look solely to the third party manufacturer for the performance of such warranties. Nothing in this Section 6.8 shall be construed as imposing any warranty obligations upon Alpha Laser which are different than, or greater in scope than, those assumed by Alpha Laser in Sections 6.1 through 6.7, above.
- 6.9 Exclusions. The warranty set forth in this Section 6 shall not apply to: (1) any Goods or parts specified by Buyer or manufactured to Buyer's design; (2) any Goods or parts altered or modified by Buyer; or (3) the use of any Goods in conjunction with any other product, not manufactured by Alpha Laser. With respect to the Goods described in this Section 6.9, Alpha Laser assumes no liability for patent infringement and Buyer shall defend, indemnify and hold Alpha Laser harmless from any claims, liability, damages or expenses, including reasonable attorneys' fees, as a result of any patent infringement claims arising therefrom.
- 7. Limitation of Damages.



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- 7.1 Exclusion of Certain Damages. In no event shall Alpha Laser or Alpha Laser's employees, officers, directors, representatives, affiliates and/or agents be liable for consequential, incidental or punitive damages incurred by Buyer or any third party in connection with any matter arising out of or relating to this Contract, or the breach thereof, regardless of whether such damages are characterized as arising out of breach of warranty, tort (including, without limitation, fraud, fraudulent misrepresentation, negligence and/or negligent misrepresentation), contract, strict liability, statutory liability, indemnity or otherwise. Such limitations shall apply regardless of whether Alpha Laser has been advised or otherwise made aware of the possibility of such damages arising. For purposes of this Section 7.1, consequential damages include, but are not limited to: (1) Buyer's lost production, sales and/or profits; (2) Buyer's loss of use of the Goods and/or any other equipment; (3) Buyer's cost of capital; or (4) any claims of customers of the Buyer against Buyer or Alpha Laser.
- 7.2 Limitation on Amount. Notwithstanding any other provision of this Contract, the total liability, in the aggregate, of Alpha Laser and Alpha Laser's employees, officers, directors, representatives, affiliates and agents to Buyer or any third party claiming through or under Buyer for any claims, losses, damages, or costs arising out of or relating to this Contract, or the breach thereof, shall not exceed the total consideration received by Alpha Laser from Buyer under this Contract. This Section 7.2 shall apply regardless of whether the claim is characterized as arising out of breach of warranty, contract, tort (including, without limitation, fraud, fraudulent misrepresentation, negligence and/or negligent misrepresentation), strict liability, statutory liability, indemnity or otherwise.
- 8. Termination for Default. Alpha Laser may terminate this Contract if Buyer: (1) becomes insolvent; (2) is unable to meet its obligations as they become due or admits such in writing; (3) enters bankruptcy or has a receiver or trustee appointed for it; (4) fails to timely make payments under this Contract or under any other obligation of Buyer to Alpha Laser including, but not limited to, any storage charges and expenses due under Section 5.6, above; (5) fails to provide Alpha Laser with adequate assurance of due performance within fifteen (15) days of Buyer's receipt of Alpha Laser's written demand therefor; or (6) delays delivery or shipment of the Goods for a period of more than ninety (90) days, or otherwise fails to take delivery of the Goods within ninety (90) days from the original due date for delivery. Any such termination shall be effectuated by Alpha Laser giving the Buyer a written declaration of default and notice of termination. Upon such declaration of default and notice of termination, Alpha Laser shall have all remedies available to Alpha Laser under this Contract and at law, including, without limitation: (1) the right to recover from Buyer Alpha Laser's expenses, as provided in Section 10.10, below; (2) the right to recover from Buyer the purchase price of the Goods; (3) the right



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to re-sell the Goods to a third party (for which Alpha Laser's declaration of default and notice of termination shall be considered sufficient notice of Alpha Laser's intent to re-sell the Goods to a third party) and to recover the difference between such sales price and the purchase price under this Contract from the Buyer; (4) the right to recover storage charges and expenses due under Section 5.6, above; and (5) the right to recover interest from the Buyer, as provided in Section 4.1, above. If Buyer has made a deposit on the Goods and/or has made progress payments on the Goods, upon a declaration of default by Alpha Laser, Alpha Laser shall be entitled to retain any such deposit and/or progress payments and apply such amounts against any damages incurred by Alpha Laser as a result of Buyer's default. All remedies shall be cumulative and the exercise of any particular remedy shall not be considered either an election of remedies or an exhaustion of such remedy.

- 9. Credit Verification. Alpha Laser reserves the right to perform a review of Buyer's creditworthiness following acceptance of Alpha Laser's Quote by Buyer. Notwithstanding any other provision of this Contract, Alpha Laser shall not be obligated to perform the Contract if Buyer's creditworthiness is unsatisfactory to Alpha Laser, in Alpha Laser's sole discretion. In such case, Alpha Laser shall not be obliged to proceed with the performance of this Contract, and Alpha Laser may cancel this Contract at any time without any liability to Buyer, unless and until the Buyer shall have agreed to such terms of payment and such security therefor as is satisfactory to Alpha Laser, in Alpha Laser's sole discretion.
- 10. Other Provisions.
- 10.1 Dispute Resolution. Any dispute, controversy, claim or other matter arising out of or relating to the negotiation, execution, delivery or performance of this Contract, or the breach thereof, shall be filed in the state and federal courts having jurisdiction over Meadville, Pennsylvania, and shall be conducted in the English language.
- 10.2 Limitation of Actions by Buyer. Any actions against Alpha Laser with respect to any matter arising out of or relating to this Contract must be brought by Buyer, or anyone claiming through or under Buyer, within the earlier of: (1) one (1) year from the date that the claim in question accrued; or (2) the expiration of any applicable statute of limitations.
- 10.3 Governing Law. This Contract shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without reference to any applicable principles of conflicts of law which would direct the application of the laws of another jurisdiction. Any dispute, controversy, claim or other matter arising out of or relating to the negotiation,



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execution, delivery or performance of this Contract, or the breach thereof, regardless of whether such dispute, controversy, claim or other matter is characterized as arising in contract, tort (including, without limitation, fraud, fraudulent misrepresentation, negligence and/or negligent misrepresentation), strict liability, statutory liability, indemnity, contribution or otherwise, shall be governed by, and determined and resolved in accordance with, the laws of the Commonwealth of Pennsylvania, without reference to any applicable principles of conflicts of law which would direct the application of the laws of another jurisdiction. The United Nations Convention on the International Sale of Goods, the 1974 Convention on the Limitation Period in the International Sale of Goods and the Protocol amending the 1974 Convention shall not apply to this Contract.

- 10.4 Waiver. The waiver of any right or default in any one instance shall not be deemed a waiver of any future right to enforce this Contract.
- 10.5 Assignment. This Contract may not be assigned by Buyer without the written consent of Alpha Laser.
- 10.6 Severability. If any provision of this Contract is held to be invalid or unenforceable for any reason, the remaining provisions shall remain in full force and effect.
- 10.7 Safety Devices, Risks and Damages. Buyer assumes all responsibility for the safe operation of the Goods. Buyer shall provide all signage, warning labels, safety devices, guarding, shielding and other measures as may be necessary and/or appropriate, or which are required by federal, state, or local laws and regulations, for the safe operation of the Goods. Buyer shall defend, indemnify and hold Alpha Laser harmless with respect to any property damage and/or personal injury, including death, which is caused by reason of the failure on the part of Buyer, and/or any employee, representative, operator or agent of Buyer, to comply with this Section 10.7.
- 10.8 Buyer Disclosures. Unless otherwise agreed to in writing by Alpha Laser, any information or ideas transmitted by Buyer to Alpha Laser in connection with this Contract shall not be regarded as a trade secret of, or submitted in confidence by, the Buyer.
- 10.9 No License or Sale of Intellectual Property. The sale of the Goods does not grant to, convey to or confer upon Buyer a license or any other rights, express or implied, under any patent, copyright or other intellectual property right of Alpha Laser encompassed within, covering or relating to the Goods.



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- 10.10 Recovery of Expenses. Alpha Laser shall be entitled to recover from Buyer all costs and expenses (including, but not limited to, reasonable attorney's fees) which are incurred by Alpha Laser in enforcing its rights under this Contract, including, but not limited to, the recovery of any amounts owed by Buyer to Alpha Laser under this Contract.
- 10.11 No Third Party Beneficiaries. There are no third party beneficiaries with respect to this Contract between the Buyer and Alpha Laser, including (but not limited to) any customers of the Buyer or any affiliates of the Buyer.

  January 3, 2018 rev.

Date	
Company Name	
Print Name	
Initials	