

Terms and Conditions of Sale

These Terms and Conditions of Sale (these “Conditions”) are the only terms that govern the sale of products (“Products”) by Bakon USA Food Equipment, Inc. and/or its affiliates (collectively, “Bakon USA,” “we,” “us,” or “our”) to the person that orders or buys Products from us (“you” or “your”).

1. Acceptance Governing Provisions; Orders

1.1 All sales of Products are subject to and expressly conditioned upon the terms and conditions contained herein. No variation of these Conditions will be binding upon Bakon USA unless agreed to in writing by an authorized representative of Bakon USA. By placing a purchase order with Bakon USA or otherwise buying products from Bakon USA you are agreeing to these Conditions.

1.2 These Conditions, including any sales quotation issued to you by us, the accompanying invoice issued by us, and those specific terms of a purchase order or other document that is expressly agreed upon by us in writing, constitute the entire agreement between the parties relating to the subject matter hereof (collectively with all other writings incorporated herein by reference, this “Agreement”), and supersede all prior or contemporaneous understandings, representations, agreements, negotiations, warranties, and communications, both written and oral.

1.3 Subject to these Conditions, you may order Products by telephone (as long as such telephone order is followed by a written acknowledgment by you of the terms of the order), facsimile, email or other written communication (each, a “purchase order”). Each purchase order must include the information periodically required by Bakon USA. All purchase orders are subject to acceptance by Bakon USA in its sole discretion.

1.4 Any terms or conditions in any purchase order or any other written document issued by you, which are inconsistent with, or are in addition to these Conditions, shall be null and void.

2. Delivery

2.1 The Products will be delivered within a reasonable time after the acceptance of the related purchase order, subject to availability, demand, and inventory, as well as your compliance with this Agreement. Any time quoted for delivery is an estimate only. Bakon USA is not liable for or in respect of any loss or damage arising from any delay in filling any purchase order, failure to deliver, delay in delivery, or loss or damage in transit.

2.2 Unless otherwise agreed to in writing by Bakon USA, all Products will be delivered from Bakon USA’s designated location (the “Shipping Point”) using Bakon USA’s standard methods for packaging and shipping such Products. Delivery shall be made Ex Works (Incoterms

2010) Shipping Point. Risk of loss passes to you upon delivery of the Products at the Shipping Point.

2.3 From time to time in its discretion, Bakon USA may offer assistance and/or recommendations relating to the shipment of Products, including with respect to exportation or importation issues. Bakon USA provides no guarantee or representation regarding any such assistance or recommendation. It is your sole decision to use any such assistance or recommendation and Bakon USA shall have no liability in connection therewith.

3. Purchase Order Changes or Cancellations

Purchase orders may be changed or amended only by written agreement signed by you and us, setting forth the particular changes to be made and the effect, if any, of such changes on the price and time of delivery. You may not cancel a Purchase Order after it has been accepted by us unless we expressly agree to such cancellation in writing. In such event, we will advise you of the total charge for such cancellation, and you agree to pay us such charges, including, but not limited to, storage and shipment costs, costs of producing non-standard materials, costs of purchasing non-returnable materials, cancellation costs imposed on us by our suppliers, and any other cost resulting from the cancellation of this order by you. However, for any purchase order accepted by us but not yet shipped, we shall use our reasonable efforts to accommodate your request for cancellations or amendments, subject to your payment of the related charges.

4. Inspection; Nonconforming Products; Returns

4.1 You shall inspect the Products within five days of receipt (“Inspection Period”). You will be deemed to have accepted the Products unless you notify Bakon USA in writing of any Nonconforming Products during the Inspection Period and furnish such written evidence or other documentation as reasonably required by Bakon USA. “Nonconforming Products” means only that the Product shipped is different than identified in the related purchase order.

4.2 If you timely notify Bakon USA of any Nonconforming Products, Bakon USA shall, in its sole discretion, (i) replace such Nonconforming Products with conforming Products, (ii) repair such Nonconforming Products at your site; or (iii) credit or refund the Price for such Nonconforming Products, together with any reasonable shipping and handling expenses incurred in connection therewith. If Bakon USA exercises its option

to replace the Nonconforming Products, Bakon USA shall, after receiving your shipment of the Nonconforming Products, ship to you, at your expense and risk of loss, the replaced Products. The remedies set forth in this paragraph are your exclusive remedies for the delivery of Nonconforming Products.

4.3 You may return a Product only upon your compliance with the following conditions: (a) the related Product is a standard part, or a machine for which the related Price was less than US\$10,000.00; (b) the related Product is received by us within 30 days of the purchase date for such Product; (c) you pay for all shipping and handling expenses in connection with the return; (d) the Product is in the same condition you received it; and (e) you have received and include the applicable return materials authorization (RMA) number. You may obtain an RMA number by calling our customer service at 310-533-3939. If you meet the conditions for a return, we shall credit or refund the Price for the returned Product, minus a restocking fee equal to 25% of the Price for such Product.

4.4 Except as provided under this section or the "Limited Warranty" section below, all sales of Products to you are made on a one-way basis and you have no right to return Products to Bakon USA.

5. Prices; Payment Terms

5.1 You shall purchase the Products from us at the prices (the "Prices") set forth on the related sales quotation we provided to you, unless otherwise agreed in writing by you and us. Unless otherwise specified in such sales quotation, Prices set forth on any sales quotation we provided to you shall be valid for 30 days from the date you receive such sales quotation. If no sales quotation has been provided, or if you received the most recently provided sales quotation more than 30 days prior to the date of the applicable purchase order, then the Price will be our current price in effect at the time of shipment.

5.2 All Prices are exclusive of all shipping and delivery charges, insurance costs, and all sales, use and excise taxes, and any other similar taxes, tariffs, duties and charges of any kind imposed by any governmental authority on any amounts payable by you under this Agreement (collectively, "Charges"). You are responsible for all Charges unless otherwise agreed to by us in writing. Further, fees and charges relating to any training, monitoring and maintenance related to the Products that may be offered from time to time by Bakon USA are not included in the Prices. Any such fees and charges shall be set forth in a separate agreement, and are generally billed in advance and are non-refundable.

5.3 With respect to any machine purchase order in the amount of US\$10,000.00 or more, you shall pay: (a) at least 60% of the amount of each such purchase order simultaneously with the issuance of such purchase order;

and (b) the remaining 40% of such purchase order no later than the date upon which the Product(s) are delivered to the Shipping Point.

5.4 With respect to any purchase order in the amount of less than US\$10,000.00 and with respect to any parts orders, you shall pay 100% of the amount of each such purchase order simultaneously with the issuance of such purchase order.

5.5 Subject to the foregoing payment requirements, Bakon USA shall issue invoices to you for all Products ordered at the related Prices, provided, that, the timing of the delivery of an invoice (or the failure of Bakon USA to provide an invoice) shall not affect the requirement or due dates for payment. You shall make all payments in U.S. dollars in any manner required or permitted by Bakon USA from time to time, including, if applicable, EFT, wire transfer, business check and/or credit card (provided, that certain higher cost orders paid for by credit card may be subject to an additional charge by Bakon USA in its discretion).

5.6 Notwithstanding anything to the contrary contained in this Agreement, if any payment due Bakon USA is not made in accordance with the applicable payment terms, Bakon USA may suspend all further deliveries and may require you to pay 100% of each new purchase order simultaneously with the issuance of such purchase order until all such overdue amounts are paid in full.

5.7 Bakon USA retains title to each Product until the entire Price and all related Charges and other amounts due for such Product, including those in connection with any breach of these Conditions by You. Further, as collateral security for the payment of the purchase price of the Products, you hereby grant to Bakon USA a lien on and security interest in and to all of your right, title and interest in, to and under the Products, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under the California, U.S.A. Uniform Commercial Code.

5.8 If any payment due Bakon USA under this Agreement is overdue for any reason, you shall pay to Bakon USA, on demand, in addition to the overdue amount, (a) interest on such overdue amount from the date it was due until paid at a rate equal to the lesser of the then current prime rate plus 10% per annum and the maximum rate of interest permitted by law, and (b) all costs of collection, including reasonable attorneys' fees. You shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Bakon USA.

6. Limited Warranty

6.1 Subject to Section 6.2, Bakon USA warrants (the "Limited Warranty") for the applicable Warranty Period that each Product will materially conform to the description of such Product provided to you by Bakon USA. Unless otherwise agreed to in writing by Bakon USA, the "Warranty Period" means the period that is one year from the date that the applicable Product is delivered to the Shipping Point.

6.2 The Limited Warranty excludes the following Products: (a) electronic/electrical parts; (b) "O" rings and seals; (c) belts; (d) impellers; (e) washers; (f) nozzles; and (g) other expendable standard replacement items. Further, the Limited Warranty does not apply with respect to parts that suffer normal wear and tear or where the Product: (i) has been subject to abuse, misuse, neglect, negligence, accident, improper testing, improper site preparation, improper installation, improper power supply, improper storage, improper maintenance, improper handling, abnormal physical stress, abnormal environmental conditions, has been used contrary to any instructions issued by Bakon USA, has been used not in accordance with industry standards and practices, or has been damaged in transit; (ii) has been reconstructed, altered, repaired, modified, installed or calibrated by any party other than Bakon USA or a third party not authorized by Bakon USA; or (iii) has been used with any third party product, hardware or product that has not been approved in writing by Bakon USA.

6.3 Further, Bakon USA shall not be liable for a breach of the Limited Warranty unless: (a) you give written notice of the defect, reasonably described, to Bakon USA within 10 days of the time when you discover or ought to have discovered the defect; (b) Bakon USA is given a reasonable opportunity after receiving the notice to examine such Products and you (if requested to do so by Bakon USA) return such Products to Bakon USA's designated location; and (c) Bakon USA reasonably verifies your claim that the Products are defective. You shall not reconstruct, modify, service, repair, alter or replace any Product, in whole or in part, either yourself or by or through any third party, without the prior written consent of Bakon USA.

6.4 During the Warranty Period, regarding any Products that are not conforming to the Limited Warranty ("Defective Products"), Bakon USA's liability under any Limited Warranty is discharged, in Bakon USA's sole discretion and at its expense, by: (a) repairing or replacing the Defective Products; or (b) crediting or refunding the Price of the Defective Products, less any applicable discounts, rebates or credits. You are responsible for all costs and risk of loss associated with the delivery of Defective Products to Bakon USA for warranty repair or replacement.

6.5 THIS SECTION SETS FORTH YOUR SOLE REMEDY AND BAKON USA'S ENTIRE LIABILITY FOR ANY BREACH OF ANY WARRANTY RELATING TO THE PRODUCTS.

7. Warranties Disclaimer

EXCEPT FOR THE LIMITED WARRANTY DESCRIBED ABOVE, NEITHER BAKON USA NOR ANY PERSON ON BAKON USA'S BEHALF HAS MADE OR MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT OF ANY THIRD-PARTY PATENT OR INTELLECTUAL PROPERTY RIGHTS, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED, AND YOU ACKNOWLEDGE THAT YOU HAVE NOT RELIED ON ANY REPRESENTATION OR WARRANTY MADE BY BAKON USA, OR ANY OTHER PERSON ON BAKON USA'S BEHALF.

8. Limitations on Liability

8.1 TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT IS BAKON USA OR ITS REPRESENTATIVES LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO ANY BREACH OF THIS AGREEMENT OR ANY USE OR FAILURE OF THE PRODUCTS, REGARDLESS OF: (A) WHETHER THE DAMAGES WERE FORESEEABLE; (B) WHETHER OR NOT BAKON USA WAS ADVISED OF THE POSSIBILITY OF THE DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) ON WHICH THE CLAIM IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

8.2 IN NO EVENT SHALL BAKON USA'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO BAKON USA UNDER THIS AGREEMENT IN THE TWELVE MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM. THE FOREGOING LIMITATIONS APPLY EVEN IF THE BAKON USA'S REMEDIES UNDER

THIS AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE.

8.3 TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ALL CLAIMS MUST BE BROUGHT WITHIN ONE YEAR OF SHIPMENT OF THE RELATED PRODUCT.

9. Indemnification

You shall indemnify, defend and hold harmless Bakon USA, its affiliates and their respective officers, directors, partners, members, shareholders, employees, agents, affiliates, successors and permitted assigns (each, a "Bakon USA Indemnified Party") against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind (including reasonable attorneys' fees and the costs of enforcing any right to indemnification under this Agreement) incurred by any Bakon USA Indemnified Party: (a) arising out of or relating to a breach or non-fulfillment of any representation, warranty or covenant under this Agreement by you or your contractors, agents or employees; (b) alleging or relating to any act or omission of you or your contractors, agents or employees (including any negligence, recklessness or willful misconduct) in connection with the performance of your obligations under this Agreement; (c) alleging or relating to any bodily injury, death of any person or damage to real or tangible personal property caused by the acts or omissions or your contractors, agents or employees relating to the purchase or use of a Product and not directly relating to a claim of Limited Warranty breach; and (d) any claim that any specifications or other materials or data provided by you infringe upon the intellectual property or other proprietary rights of any third party.

10. Use of Products; Remote Diagnostic Services

10.1 Bakon USA's Products are intended for the specific uses stated on the Product labels, in Bakon USA's Product directories or manuals, and in other literature furnished to you. You may not use the Products for any purposes other than those specified by Bakon USA. You shall not, directly or indirectly, reverse engineer, disassemble, decode, or derive the source of any products.

10.2 Some of Bakon USA Products include the ability to record and report back diagnostic data about a Product to us to help plan preventative maintenance and to alert our service team that a problem has arisen. You agree to permit the electronic monitoring and electronic transfer of these data to Bakon USA for its sole use in improving device performance. You agree to maintain an Internet connection with respect to any such Products. You also grant Bakon USA permission to cancel or shut down the operating system and software of any such Product via remote diagnostic tools and services if Bakon USA, in its

discretion, determines that doing so is necessary to protect itself against a threat to its business, products, or intellectual property. We shall have no liability arising from or relating to our use of diagnostic tools and services.

11. Laws and Regulations; Embargoes

11.1 You shall at all times comply with all applicable laws relating to the purchase and use of the Products, including any export laws. You shall complete all required undertakings (including obtaining any necessary export license or other governmental authority approval), prior to importing, exporting, re-exporting or releasing any Products. The Products may be subject to United States export control laws, including the Export Administration Regulations and the International Traffic in Arms Regulations. You represent and warrant that you are not located in, and that you will not (and that you will not permit any third parties to) directly or indirectly import, export, re-export or release any Products to, any jurisdiction or country to which, or any party to whom, the import, export, re-export or release of any Products is prohibited by applicable law.

11.2 Bakon USA prohibits the purchase and any export or re-export of Bakon USA Products, services, or technical data to any destinations subject to U.S. embargoes or trade sanctions. You represent, warrant and covenant to Bakon USA that you and your owners, officers, directors, employees, agents, and anyone acting on your behalf are not an Embargoed Target (as defined below), and that each such person shall remain, in compliance with: (i) all applicable anti-bribery and anti-corruption laws, including the United States Foreign Corrupt Practices Act; (ii) all United States antiboycott laws, including the Export Administration Act and the Internal Revenue Code; (iii) all laws administered by OFAC or any other governmental authority imposing economic sanctions and trade embargoes against designated countries, entities and persons (collectively, "Embargoed Targets").

12. Delays

Bakon USA shall not be liable or responsible to you, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent the failure or delay is caused by or results from acts beyond the Bakon USA's reasonable control, including the following force majeure events ("Force Majeure Events"): (a) acts of God; (b) flood, fire, earthquake, nuclear event or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) requirements of law; (e) actions, embargoes or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns or other industrial disturbances; and (i) shortage of adequate power or transportation facilities.

Bakon USA shall give notice of the Force Majeure Event to you as soon as reasonably practicable. Bakon USA shall use commercially reasonable efforts to end the failure or delay and ensure the effects of the Force Majeure Event are minimized. Bakon USA shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that Bakon USA's failure or delay remains uncured for a period of 180 business days following notice given by it, either party may terminate any outstanding purchase orders.

13. Waiver; Severability

13.1 No waiver by Bakon USA of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Bakon USA. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

13.2 If one or more of these Conditions are held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining Conditions shall remain unimpaired, and you expressly agree to be bound by any lesser condition subsumed within the terms of such condition that imposes the maximum duty permitted by law, as if the resulting condition was separately stated in and made a part of this Agreement.

14. Independent Contractors

The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

15. No Third-Party Beneficiaries

This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Conditions.

16. Governing Law; Jurisdiction and Venue.

This Agreement, including all exhibits, schedules, attachments and appendices attached hereto and thereto, and all matters arising out of or relating to this Agreement, are governed by, and construed in accordance with, the laws of the State of California, U.S.A., without regard to the conflict of laws provisions. For the avoidance of doubt,

the United Nations Convention on the International Sale of Products shall not apply to this Agreement. The international rules for the interpretation of trade terms prepared by the International Chamber of Commerce (Incoterms) shall apply but where they conflict with this Agreement, this Agreement shall prevail. Any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted in the federal or state courts of the State of California, U.S.A., in each case located in the County of Los Angeles, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

17. Interpretation

For purposes of these Conditions: (a) the words "include," "includes" and "including" are deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the word "person" means an individual, corporation, partnership, joint venture, limited liability company, unincorporated organization, trust, association or other entity.

18. Bakon USA Contact Information

Address: Bakon USA Food Equipment, Inc., 20906 Higgins Ct., Torrance, CA 90501, USA

Phone: 310-533-3939

Fax: 310-533-3940

Email: support@bakonusa.com