



mk North America, Inc.

105-125 Highland Park Dr.
Bloomfield, CT 06002

www.mknorthamerica.com

Phone: 860.769.5500

Fax: 860.769.5505

Terms & Conditions

mk North America Quotes and Sales

1. General

All orders for products, drawings, or services furnished in connection therewith (hereinafter collectively called "products") manufactured or supplied by mk North America, Inc ("mk"), shall be subject to these terms and conditions of sale. No modifications or additions hereto will be binding unless agreed upon in writing by an authorized officer of mk.

2. mk North America, Inc. (mk) Components

Refers to the mk North America standard components as shown in our catalog(s) in their simplest un-assembled forms. Details of the materials used in the mk components are available in the mk North America Profile Catalog.

3. Customer Contact

The customer is responsible for supplying a primary contact for the project. This individual will have the primary responsibility for the project and will be the point of contact for mk.

4. Order Placement/Procurement

All orders must be placed in writing; verbal orders will not be accepted. Orders placed will be considered for the next business day. No order or other offer shall be binding upon mk until accepted in writing by mk.

5. Approval Drawings

When called out, mk North America, Inc., requires signed approval drawings. These drawings are done in order to ensure that the customer's requirements have been correctly interpreted and that the system is approved for build. Drawings are generated in Autodesk Inventor and/or AutoCAD and can be saved as a variety of 2D and 3D formats. It is the customer's responsibility to review these drawings for any and all inaccuracies. Corrections, omissions, changes and adjustments will be made by mk North America at the customer's request and a revised approval drawing will be submitted to the customer. mk North America, Inc. does not accept "red-lined" or "approved as noted" approval drawings. On jobs that require an approval drawing, lead-time does not begin until we have the signed approval returned from the customer's offices. Approvals can be returned via fax or e-mail. On jobs in which mk does not require approval drawings, the customer is free to request approval drawings. In doing so they are abiding by the same notes and terms as outlined above.

It is important to state that signed approval drawings to not abrogate mk North America's responsibility to provide a functioning system. As information relating to any particular application is most often received via emails, drawings and/or short customer visits, approval drawings reflect our best effort at interpreting the customer's requirements. A signed approval drawing confirms

that the customer has reviewed our interpretation and that there are no obvious omissions, errors or oversights.

Approvals placed after noon (EST) will be considered for the next business day.

6. Lead-Time and Ship Dates

All ship dates as confirmed by mk are approximate and indicate the date in which the item is to be shipped. All items are shipped FOB Ex-Works, Bloomfield CT. We do not recommend shipping complete assemblies via UPS or Fed-Ex. Unless specified on the customer's PO, all jobs will ship via Best Way Truck pre-paid; added. Lead-time does not include transit time from mk to the customer's facility. mk is not responsible for any delays in shipping once the product has been received by the shipper. The ship date is not the delivery date and does not include time of transit from our facility to yours. mk will attempt to meet all such ship dates whenever possible. All products are subject to prior sale.

Lead times may be extended due to, but not limited to, the following clauses:

- Customer not providing information, components/parts
- Concept or specification changes
- Incomplete orders
- Unexpected long lead delivery on components integral to the design and/or specified by the customer
- Down payments not received as required
- Any unexpected conditions that are not directly controlled by mk North America, Inc., including; but not limited to, an act of God, war or national emergency, hurricane, fire, flood, explosion, inability to obtain certain materials, any labor dispute or strike (including those of carriers), or export, import, dollar exchange or other governmental regulations or restrictions.

Purchaser may not cancel because of any such delay or for any other reason not the fault of mk. mk will not be bound by any penalty clause contained in any specification or order submitted by the purchaser unless such clause is agreed to in writing by an authorized officer of mk. Shipping of all products shall be FOB mk's factory unless otherwise agreed to in writing by an authorized officer of mk.

7. Crating and Packaging

ALL orders shipping via FREIGHT/TRUCK – LTL, Dedicated or Customer – Pre-Paid & Add and Collect – will be subject to a crating fee based on the order value.

(see next page for list of fees)



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Expected Order Value	Crating Charge
< \$500	\$ 20
< \$ 2,500	\$ 50
< \$ 5,000	\$ 75
< \$ 10,000	\$ 100
< \$ 15,000	\$ 150
< \$ 30,000	\$ 300
< \$ 50,000	\$ 400
\$ 50,001 to \$100,000	\$ 500
> \$ 100,000	Case by case review

ALL orders shipping via a world-wide small package handling service (UPS, USPS, Fed Ex, DHL, etc) are subject to a \$5 packaging fee.

8. Layout and Sizing

The customer is responsible for ensuring that the equipment ordered fits into their plant layout. Furthermore, the customer is responsible for transferring products onto and off of the system. See approval drawings.

9. Conveyor Speeds

Conveyor speeds as stated in the proposal are approximate speeds, rounded to the nearest whole foot per minute speed (fpm) or as measurement is indicated in the quote. Due to the inefficiencies in the motor manufacturer’s motor windings; gearbox ratios and drive train ratios, speeds stated in this proposal are +20% for variable speed motor packages, and +10% for constant speed motor packages.

10. Customer Information

The customer is responsible for providing all data relative to the project at hand. This includes environmental conditions (temperatures, chemicals, etc), drawings (layout and product), specifications, schematics, formulas and or calculations, etc. This also includes any information and knowledge that is specific to the customer’s product, process or industry. Should these given parameters change during the quoting, design or build phase the customer is responsible to notify mk. Failure to do so may result in increased price and/ or lead-time. All information received will be kept confidential.

11. Sample Product

When required, the customer is to furnish, at their expense, sample products to mk North America, Inc. for review during the design and concept phase as well as any products that may be required for a run-off at our facility prior to shipping. mk is not responsible for the behavior of products, other than those specifically quoted for this application. Any changes in the product during the quoting, design or build stage must be brought to mk’s attention. Changes in the product may result in a re-design,

additional time, additional charges or increased lead-time. All products supplied must be oil free, clean, debris free, and contain no contaminants. Samples will not be returned unless specifically requested. If returned samples do not ship with your order from mk, the initial shipper is responsible for all freight.

12. Customer Supplied Components/Equipment

When the customer is to provide mk with various items that are to be integrated into the build of specific equipment (example: servo motor) the customer is responsible for supplying mk with 3D models of that equipment during the proposal stage and prior to the generation of any approval drawings. All items must be received at mk five (5) days before the scheduled ship date. mk is not responsible for items that are received late and cannot be held accountable for ship dates missed as a result. mk is not responsible for shipping costs or any shipping damages done to these items. If the item received does not match the model supplied initially additional reworks may need to be, and additional charges may incur.

13. System Acceptance Test

The customer can request a systems acceptance test, on mk North America’s floor, for any job prior to shipping. The customer is responsible for attending the acceptance test at no charge to mk, and at a mutually agreed upon time. The customer must also supply all personnel required for the test and products to be tested. When customer personnel is not available for a run-off and the customer would like one, video is available at the customer’s request.

14. Installation

Unless specifically stated otherwise, the customer is responsible for all aspects of installation. This includes, but is not limited to un-crating of material, setting up the installation site, providing applicable power supplies, lagging units to the floor (as required), providing wiring and controls (as required). The customer is also responsible for ensuring that the installation meets all local, state and federal safety regulations. All work must be provided by authorized and/or licensed personnel.

15. Documentation Provided

mk will supply to the customer any and all paperwork supplied to us by outside vendors. This may or may not include, belt information, motor wiring diagrams, etc. General specification manuals will be provided at no additional cost for all standard conveyors. This document includes information on belt tracking, tensioning and preventive maintenance. Operator manuals, maintenance manuals and OEM manuals can be provided at an additional charge for specific items. These manuals reflect the system “as-built.” If ordered, they will be furnished within 21 days of the system ship date or confirmed documentation package



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requirements, whichever is later.

16. Safety Issue

All conveyors that include motors also include safety covers over the drive train. This is a formed metal cover. The system should not be operated without this cover in place. Some systems, such as roller chain conveyors, have multiple exposed pinch points and should only be operated in a (customer-provided) guarded environment. The customer should review all approval drawings for various pinch points. mk, Inc. can and will work with the customer to guard pinch points, should the customer request it.

17. Photography and Video

The customer hereby assigns mk the irrevocable and unrestricted right to use and publish any photographs and/or videos taken of customer/client order. mk is the sole owner of this media and will use in any manner deemed necessary by mk, its owners and partners. Customers with a non-disclosure agreement on file will not have any media published.

18. Patents

mk shall indemnify and hold harmless the purchaser against all claim or actions that are instituted against the purchaser on the grounds that the purchaser has infringed the patent rights of others by using, reselling, or promoting the sale or resale of mk's products, provided that mk shall not be obligated hereunder if:

- a) the purchaser fails to give mk prompt notice of such claim or actions, or
- b) Such claims or actions against the purchaser are based wholly or in part on the existence or operation of any complete installation or apparatus incorporating mk's products as components and which is designed or manufactured by the purchaser of its customers.

19. Assignment

No contract to purchase goods from mk may be assigned by the purchaser without prior agreement in writing by an authorized officer of mk.

20. Regulatory Laws or Standards

mk makes no representation that its products conform to any state or local ordinances, regulations, codes, or standards, except as may be otherwise agreed to in writing by an authorized officer of mk. ALL PURCHASERS AND USERS SHOULD CONSULT THEIR APPROPRIATE LOCAL, STATE AND FEDERAL SAFETY REGULATIONS AND STANDARDS.

21. Notice

NOTWITHSTANDING mk's Limited Warranty mk IS SPECIFICALLY NOT RESPONSIBLE FOR PROPERTY DAMAGE AND OR PERSONAL INJURY, DIRECT OR INDIRECT OR FOR DAMAGES AND/OR FAILURES CAUSED BY THE IMPROPER MACHINE DESIGN, APPLICATION,

INSTALLATION, OPERATION, ABUSE AND/OR MISUSE OF ITS PRODUCTS.

22. Payments & Interest

mk accepts checks, wire transfers, ACH and credit card payments. Credit cards accepted are VISA, Master Card and American Express. Credit card payments are only allowed for invoices of less than \$5,000.

mk reserves the right to charge interest on any balance outstanding at 1.5% per month (or fraction thereof) or as mk shall determine, until payment is actually received. Pro-rate payments shall become due as shipments are made, or at the request of the purchaser, payment shall be become due when mk is prepared to make shipment. If the cost to mk of products is increased by reason of delays caused by the purchaser, such additional cost incurred by mk shall be paid by the purchaser. mk may, if it deems itself insecure by reason of the financial condition of the purchaser or otherwise, require full or partial payment in advance and as a condition to the continuance of production, or shipment on the terms specified herein.

23. Taxes

Prices do not include Sales, Use, Excise or other taxes payable to any governmental authority in respect to the sales of mk's products. The purchaser shall pay the amount of any such taxes or shall reimburse mk for the amount thereof that mk may be required to pay.

24. Terms

Payment terms for existing customers are as follows:

Tier I Credit: Net 30 days on orders below \$15,000, 50% down on orders between \$15,000 and \$30,000 and 60% down on orders over \$30,000.

Tier II Credit: Net 30 days on orders below \$5,000, 50% down on orders between \$5,000 and \$15,000 and 60% down on orders over \$15,000.

Tier III Credit: Requires all orders to be paid prior to shipping. New customers are subject to credit terms of Tier II or III, existing customers on based on credit report at time of quotation. mk Authorized Representatives and Distributors will receive terms as outlined in their individual and specific contract with mk.

Fortune 500 companies are eligible for payment terms of net 30 days on orders below \$30,000.

No mk representative shall accept in the form of said payment a copy of a check or a payment promise.



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ALL TERMS SUBJECT TO CREDIT APPROVAL AT TIME OF ORDER.

25. Changes and Cost Adjustments

mk will not accept changes in specification unless such changes are requested in writing and agreed to in writing by mk.

Changes to orders after the receipt of the signed approval drawing from the customer may be subject to a minimum fee of \$250. The customer is also responsible for any additional fees incurred due to the change. Additional lead-time will be required, and this time will be based on the nature of the changes and the overall scope of the project.

All orders with changes require a revised approval drawing to be furnished by mk and signed by the customer.

All orders with changes that result in additional fees require a purchase order from the customer stating the changes and the fees. This can be either a new order or a revised existing order. This document must be received in writing.

26. Cancellations

Any order when placed with and accepted by mk is not subject to cancellation unless agreed to in writing by mk. Custom orders are non-cancelable. Cancellations are subject to reasonable charges based upon the expenses already incurred and commitments made by mk.

27. Returns

Custom orders, including conveyors and assembled products; are non-returnable.

Material may not be returned to mk unless specifically allowed in writing. All material returned to mk must include a Return Authorization and must be returned prepaid and packaged in a suitable manner.

Materials returned may be subject to a restocking fee as determined by mk based on the materials returned and the nature of the return.

28. Security Interest

Unless and until the products are fully paid for, mk reserves a security interest in them to secure the unpaid balance of the price and all other obligations of the purchaser to mk however arising. The purchaser hereby grants mk the power of attorney to execute and file on behalf of the purchaser all necessary financing statements and other similar documents required to protect the security interest granted herein.

29. Damages, Limitation

In the event of breach of this agreement by mk, the rights of the purchaser are limited to the amount therefore paid to mk for the goods. THE PURCHASER SHALL HAVE NO RIGHT TO CONSEQUENTIAL OR INDIRECT DAMAGES, WHETHER FOR THE

INJURIES TO THE PERSON, PROPERTY OR OTHERWISE.

30. Default

If the purchaser defaults in performing any of its obligations to mk under this agreement, or any other agreements, mk may, at its option and without incurring any of all other agreements with the purchaser or to terminate this agreement together with any or all such agreements. Furthermore, mk shall have a right to all damages sustained, including loss of profits.

31. Insolvency

If the purchaser shall be insolvent or cease doing business or be the subject of any proceedings under any bankruptcy, insolvency, reorganization or arrangement statute or law, such act shall be the option of mk, be deemed a default under this agreement and mk may elect to cease performing and cancel this agreement with the respect to any products not delivered or received prior to the election. All of the foregoing shall be without prejudice to recovery by mk of damages for work preformed and for loss of profits and material and products delivered.

32. Miscellaneous

The provisions of this agreement shall be governed in accordance to the laws of the State of Connecticut. These terms and conditions set forth the entire understanding and agreement of the parties hereto, together with all representations and obligations of such parties in respect to such matter, shall be superseded by and merged into this agreement. No provisions hereof shall be waived, changed, terminated, modified, discharged or rescinded, orally or otherwise, except in writing signed by the party to be charged by any such waiver, change, termination, modification, discharge or recession. No waiver of any breach of any provision of this agreement shall constitute an amendment or modification of this agreement, or any provision thereof. If any provision of this agreement shall be held to be unenforceable or inapplicable in any way respect, such holding shall not affect the enforceability of any other provision of this agreement under any other circumstances. The provisions of this agreement shall bind and inure to the benefits of the parties hereto and their respected heirs, executors, administrators, successors and (subject to any restrictions on assignment hereinafter set forth) assigns. In the event unspecified redress or commitments develop not covered above, terms of the Uniform Commercial Code under the laws of Connecticut will be construed as being effective as they may pertain.