BUSINESS TERMS & CONDITIONS

1. LEGAL COMPONENT

Our Terms and Conditions are an integrated and legal component of each purchase and are part of all DEPRAG Quotations and subsequent order confirmations.

2. PRICES, DISCOUNTS, AND TERMS

Prices, discounts, terms and conditions are those in effect at time of order and are subject to change without prior notice.

3. FREIGHT TERMS

Freight is F.O.B. Lewisville, TX. DEPRAG will apply a handling fee of $5.00 to each order.

4. PAYMENT TERMS

<table>
<thead>
<tr>
<th>Standard terms for stock items are:</th>
<th>2% 10 Days, Net 30 Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special terms for custom made Screwfeeders are</td>
<td>35% Down-Payment with written PO</td>
</tr>
<tr>
<td></td>
<td>55% Progress Payment prior to shipment</td>
</tr>
<tr>
<td></td>
<td>10% Final Payment - net 30 days</td>
</tr>
<tr>
<td>Special terms for custom made Machines are</td>
<td>35% Down-Payment with written PO</td>
</tr>
<tr>
<td></td>
<td>55% Progress Payment prior to shipment</td>
</tr>
<tr>
<td></td>
<td>10% Final Payment - net 30 days</td>
</tr>
</tbody>
</table>

5. MINIMUM ORDER

Minimum order value for catalog items is $50.00.

6. ADDITIONS TO ORDERS

If a previous placed order has already been shipped, additions will be entered as a separate order and are subject to these terms and conditions of sales.

7. CANCELLATION OF ORDERED ITEMS

DEPRAG Inc. does not accept cancellations of any product that is custom made. Additionally, we will not accept a cancellation of items, which had to be specifically ordered from our production facility and may either be in production, in shipping or already on route.

8. SHORTAGES AND ERRORS

It is expected that DEPRAG customers will promptly review incoming shipments of DEPRAG products for completeness and accuracy. DEPRAG will correct documented shortages or errors in shipment, provided that DEPRAG is notified of such shortages or error within 10 days of invoice date.
9. **RETURNED GOODS POLICY**

A. To return miss-ordered items, error shipments or demo equipment, contact DEPRAG with the purchase order number, invoice number, part number and quantity within 10 days of invoice date. Prior approval must be received before returning the product. No returns will be accepted after 10 days of invoice date.

B. Credit will be based on price paid less a 25% restocking charge for returned orders.

C. Transportation charges must be prepaid and parts must be insured.

D. Custom made items are non-cancelable and non-returnable.

E. In the case that DEPRAG is the buying party, we reserve the right to cancel orders, due to missed delivery times, cost increases or other relevant circumstances.

F. Any item returned to DEPRAG must have a valid RMA (Return Material Authorization) Number included.

G. There is a minimum of 25% cancellation fee for any custom orders cancelled during pre-manufacturing. No cancellations are accepted after manufacturing has started.

10. **WARRANTY**

DEPRAG products are warranted against defects in workmanship and defects in material. Liability is limited to 12 months from delivery date [single shift and excluding wear parts] and to the invoice value of the defective item. DEPRAG products having such defects will be repaired, replaced or credited as DEPRAG elects. Charges will not be allowed for labor, consequential damages, penalties or expenses incident to the repair or replacement of the invoiced DEPRAG product. This warranty is non-transferable by the original purchaser without written consent of DEPRAG. Liability Limitations are clearly spelled-out in our document “Warranties”, which are an integrated part of these Terms and Conditions.

This document clearly and specifically excludes DEPRAG-SCHULZ GMBH & Co. in Amberg, Germany from any kind of liability, consequential damage or penalty.

11. **GOVERNING LAW**

This Agreement shall be construed in accordance with, and governed by, the laws of the State of Texas. Venue for any dispute shall be Denton County, Texas.