

**DIGITAL INK SOLUTIONS NORTH AMERICA STANDARD TERMS AND CONDITIONS OF SALE
(DIGITAL INK SOLUTION PRODUCTS)**

1. APPLICABILITY

These Digital Ink Solutions Standard Terms and Conditions of Sale (“Terms and Conditions”) shall apply to all sales, purchase orders, contracts for sale, shipments, and sales order acknowledgments (each, an “Order”) of digital ink products (“Products”) by Avery Dennison Corporation’s Digital Ink Solutions North America Division, whether in the United States through Avery Dennison Corporation, or in Canada through Avery Dennison Canada Corporation (each, “AVERY DENNISON” or “SELLER”) and any customer (“PURCHASER”). All Orders, sales, offers, acceptances, sales order acknowledgments, contracts for sale, and shipments of Products are expressly limited to and made conditional on PURCHASER’S assent and agreement to these Terms and Conditions. AVERY DENNISON expressly limits PURCHASER’S acceptance to these Terms and Conditions, and notification is hereby given that AVERY DENNISON objects to and rejects any terms or conditions contained in any purchase order or other communication of any kind from the PURCHASER that are different, conflicting, inconsistent with or additional to these Terms and Conditions.

2. PRICE

Unless otherwise confirmed in AVERY DENNISON’S sales order acknowledgment or in a separate agreement signed by AVERY DENNISON and PURCHASER, all prices are EXW (Incoterms® 2010) at AVERY DENNISON’S shipping point. All prices are exclusive of any present or future federal, state, provincial, local, municipal or other taxes applicable to the sale of Products, or any duties or charges of any kind imposed by a governmental authority. Any such taxes shall be added to the price and paid by PURCHASER unless PURCHASER provides AVERY DENNISON with a valid exemption certificate acceptable to AVERY DENNISON and the appropriate taxing authorities. All prices are subject to change without prior notice; however, prices shall be those contained in the appropriate AVERY DENNISON price list covering the Products ordered and in effect on the “ship date” noted on the face of AVERY DENNISON’S sales order acknowledgment or other confirmation form. Orders calling for future delivery shall be invoiced at prices in effect on the ship date.

3. PAYMENT

PURCHASER shall be invoiced only for the quantity actually shipped. Payment term is net 30 days from date of invoice. Time is of the essence for payment of invoices and payment is material to the sale or contract for sale of Products. A 1.0% discount is available if payment is received within ten 10 days of date of invoice, but no other deduction or any set-off shall be allowed without AVERY DENNISON’S express written permission. Invoices not paid within 30 days of date of invoice shall accrue a late payment charge of 1.0% per month on the unpaid balance, or the maximum amount permitted by law, until paid (“Late Fee”). The imposition of a Late Fee is not intended to infer any consent, acquiescence or other agreement, express or implied, by AVERY DENNISON to forbear or otherwise defer collection of unpaid invoice amounts. PURCHASER confirms, acknowledges and agrees that it would be difficult and expensive to attempt to determine the actual damage sustained by AVERY DENNISON as the result of the default payment of any individual account and that the charge of 1.0% per month referred to above represents a reasonable endeavor to fix AVERY DENNISON’S minimum probable loss resulting from delinquent payment, that such charge bears a reasonable relation to such loss and that the surcharge is reasonable in amount. In the event AVERY DENNISON uses a third party collection agent or initiates a collection action to recover a debt, AVERY DENNISON shall be entitled to recover attorney fees, expenses and costs associated with such collection of unpaid amounts.

AVERY DENNISON may, without notice to PURCHASER, hold or reject Orders, hold or cease shipments of confirmed Orders, alter or revoke credit terms, and/or require payments in advance, if AVERY DENNISON determines in its sole discretion that PURCHASER’S financial condition or payment history do not justify new Orders, shipping Product, or continuing credit terms. PURCHASER’S failure to pay any AVERY DENNISON invoice by its due date makes all outstanding invoices immediately due and payable irrespective of terms, and AVERY DENNISON may reject or hold Orders, or withhold deliveries, until the full account is settled. If AVERY DENNISON requests adequate assurances of PURCHASER’S ability and/or intention of paying for Orders, shipments or invoices, or its ability generally to pay debts as they come due, PURCHASER will provide to AVERY DENNISON, within three days of the request, business records that are kept in the ordinary course of business and that satisfy the request.

4. ORDER FULFILLMENT

Shipments that are more or less than the actual quantity ordered on custom orders shall constitute filling the Order if such variance does not exceed the following percentages: (i) 10% where AVERY DENNISON uses standard raw materials; and (ii) 20% where AVERY DENNISON uses non-standard raw materials. An Order may be cancelled or terminated only with AVERY DENNISON's consent and upon terms that will fully compensate AVERY DENNISON for loss (if any) due to cancellation or termination.

5. SHIPMENT, TITLE, RISK OF LOSS

Unless otherwise confirmed by AVERY DENNISON's sales order acknowledgement or in a separate agreement signed by AVERY DENNISON and PURCHASER, shipping is EXW Incoterms® 2010 at AVERY DENNISON's shipping point. Title and risk of loss to all Products purchased shall pass to PURCHASER upon placement of the Products on a common carrier at AVERY DENNISON's shipping point, regardless of the freight terms stated or method of payment of transportation charges. AVERY DENNISON reserves the right to specify the carrier and routing of shipments. AVERY DENNISON intends to ship within the time specified in AVERY DENNISON's sales order acknowledgment, if indicated, and if not, then within a reasonable time. Unless specified in AVERY DENNISON's sales order acknowledgment, freight charges shall be prepaid and billed. As collateral security for the payment of the purchase price, PURCHASER grants to AVERY DENNISON a lien on and security interest in and to all of the right, title and interest of PURCHASER 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, substitutions, and replacements thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. If PURCHASER is in the Province of Quebec, PURCHASER will grant a hypothec to and in favour of AVERY DENNISON over the Product sold to PURCHASER in order to secure the prompt payment of the purchase price. Such payment obligations shall, at the option of AVERY DENNISON, become payable and the security interest or hypothec granted hereby may be enforced if PURCHASER defaults in making such payment when due. In connection herewith, PURCHASER hereby authorizes AVERY DENNISON, or its agents, to make one or more filings under any applicable *Personal Property Security Act* (or equivalent legislation, as applicable) and any applicable amendments or renewals thereof. For certainty, this security interest constitutes a purchase money security interest under the Ohio Uniform Commercial Code.

6. TRANSIT DAMAGE AND NON-CONFORMING PRODUCTS

- a) PURCHASER is responsible to receive the entire shipment as tendered, unless PURCHASER notes obvious damage to the shipment packaging and Product, in which case the PURCHASER should take a picture of the damage, not accept the shipment from the freight carrier, and notify AVERY DENNISON. If no obvious damage to the packaging, then after acceptance of the shipment, PURCHASER shall inspect it and immediately write on the freight bill any missing or damaged portion of the shipment. This must be reported to AVERY DENNISON within 48 hours of receipt of the shipment. For damage claims, the entire package must be retained until after the claim has been evaluated and a determination and/or credit memo has been issued.
- b) Within 5 calendar days of receipt of the shipment, any concealed damage or non-conforming Products must be reported to AVERY DENNISON. Retaining the entire package is necessary until after a concealed damage inspection report is issued by the carrier, or until the non-conforming Product can be assessed. A determination of credit will be made once the claim has been evaluated. A credit will not be issued for any claims made after the 5 calendar day time period.
- c) Speed is of utmost importance (TIME IS OF THE ESSENCE for the deadlines set forth in Section 6 of these Terms and Conditions). Prompt inspection, as well as prompt filing, of the claim with all necessary documents will facilitate fast settlement. NOTE: Without the appropriate paperwork, credit cannot be issued.
- d) For verified claims of transit damage or non-conforming Products, AVERY DENNISON may either replace the Product or refund the purchase price, in AVERY DENNISON's sole discretion. The remedies set forth in Section 6 of these Terms and Conditions for transit damage and non-conforming Products are PURCHASER's sole and exclusive remedies.

PURCHASER must follow the claims handling procedures published here (including a claim form and instructions on that form): <https://reflectives.averydennison.com/en/home/customer-tools/claims.html>. For any questions about how to submit a claim, contact the home office. All claims must be accompanied by the following documents: (i) copy of freight bill with notation of damage or shortage, and date, time and receiver's name must be included; (ii) photograph(s) of damaged goods; and (iii) a copy of an inspection report. **RETAIN COPIES FOR YOUR FILES.** Under no circumstances shall AVERY DENNISON be responsible for any damage or shortage on collect shipments.

7. COMPLIANCE

Products are manufactured in compliance with all applicable requirements of the Fair Labor Standards Act, as amended. Except as otherwise agreed in a signed writing, normal tolerances in AVERY DENNISON specifications shall not be cause to reject products.

8. RETURNS

All Products are returnable only in accordance with the warranty provision in Section 9. Before returning any Product, PURCHASER must obtain from AVERY DENNISON's home office prior written approval and instructions.

9. LIMITED WARRANTY

- (a) AVERY DENNISON may recommend that certain Products be used on a specific type of printer so that the Products should not damage the printer's ink system (including filters, ink pumps, tubes, primary and secondary ink tanks and print head). However, ***all statements, services, information, and recommendations (technical or otherwise) about AVERY DENNISON's Products, and the use or application of such Products, are based on AVERY DENNISON's experience and testing and are believed to be reliable but do not constitute an express or implied guarantee or warranty as to accuracy, completeness or results to be obtained. All Products are sold and samples provided with the agreement that PURCHASER assumes sole and independent responsibility for quality control, testing and determining the suitability of Products for any intended use or purpose. PURCHASER agrees to ensure that Products are compatible with the printer and other products used by PURCHASER.***
- (b) The Products are warranted for one (1) year from date of manufacture to be free from defects in material or workmanship so that the Products meet AVERY DENNISON's specifications, and are warranted for a shelf life of one (1) year from the date of manufacture. Notwithstanding these time periods, the time periods stated in a published Product specification or data sheet ("PDS"), if any, in effect at time of manufacture shall apply, and a Product's durability time period also shall be as stated in the relevant PDS and subject to the terms, conditions, and instructions contained in the PDS and any associated instruction bulletins and manuals; provided, however, that other than these time periods in a PDS, the terms of this warranty shall otherwise apply to the Products.
- (c) This warranty applies solely to the original PURCHASER of the Products and creates no rights or obligations for any third party. This warranty is conditioned on PURCHASER completing AVERY DENNISON's ink change-over procedures that may be published from time-to-time, including acceptable print samples (nozzle test pattern) both before and after installation of the Products. This warranty does not apply to Products used with printers that are modified or damaged through misuse, abuse, accident, vandalism, neglect or mishandling.
- (d) **THE WARRANTY SPECIFICALLY SET FORTH IN THIS SECTION 9 IS IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE AND/OR NON-INFRINGEMENT, WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE. AVERY DENNISON SPECIFICALLY DISCLAIMS AND EXCLUDES ALL OTHER SUCH WARRANTIES. THE WARRANTY PROVIDED HEREIN SHALL NOT APPLY TO ANY PRODUCT THAT IS**

CHANGED OUT OF A PRINTER, REGARDLESS OF COLOR. No representative or agent of AVERY DENNISON is authorized to give any guarantee or warranty or make any representation contrary to the terms and conditions herein, unless in writing and manually signed by an officer of AVERY DENNISON.

- (e) If the Product fails to comply with the above limited warranty herein, PURCHASER's sole and exclusive remedies shall be: (1) Inks – Replacement of the defective Product or, at AVERY DENNISON's option, the issuance of a credit or refund in an amount up to the purchase price of the defective Product; and (2) Print Heads – In the event the defective Product is the direct and sole cause of damage to the print head or for the cancellation of the printer equipment warranty or denial of service for such print head, then SELLER will compensate PURCHASER for the percentage of life remaining of the print heads or the cost of repair, whichever cost is lower, subject to confirmation by AVERY DENNISON of such damage and causation. The foregoing remedies are conditioned on the following:
- PURCHASER has complied with AVERY DENNISON's ink-changeover procedures (as may be published and communicated from time-to-time) and has established (i) the age of the print heads/channel before installation and history of the print heads/channel in billion shots/nozzle where applicable; (ii) the serial number and purchase date of any printer in which the Product is to be installed; and (iii) the head ID numbers of all print heads of printers where the Product is to be installed.
 - PURCHASER has maintained traceability of converted Products to confirm a claim is based on AVERY DENNISON's actual Product; and lack of traceability may result in denial of a claim in whole or in part.
 - AVERY DENNISON's confirmation to its satisfaction that the Products were stored and used by PURCHASER in accordance with Seller's suggested, applicable standards (if any) and not damaged during transportation.
- (f) **THE REMEDIES SET FORTH IN SECTION 9(e) SHALL BE THE PURCHASER'S SOLE AND EXCLUSIVE REMEDIES AND AVERY DENNISON'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTY SET FORTH IN THIS SECTION 9.**

10. LIMITATION OF LIABILITY

- (a) **IN CONNECTION WITH PRODUCTS, THE SALE OF PRODUCTS OR ANY CONTRACT FOR SALE OF PRODUCTS, AND IN CONNECTION WITH ANY KIND OF SERVICE PROVIDED BY AVERY DENNISON TO PURCHASER (SUCH AS TECHNICAL SERVICES, CONSULTATIONS, RECOMMENDATIONS AND RESPONSES TO PRODUCT INQUIRIES OR CLAIMS), NO CLAIM BY PURCHASER OF ANY KIND, AND NO LIABILITY OF AVERY DENNISON OF ANY KIND, SHALL BE GREATER IN AMOUNT THAN THE PURCHASE PRICE OF THE PRODUCTS OR SERVICES IN RESPECT OF WHICH DAMAGES ARE CLAIMED WITH REGARD TO CLAIM FOR DEFECTIVE INKS, OR GREATER THAN THE AMOUNT OF THE PRINT HEAD DAMAGES AS PROVIDED IN SECTION 9(e) FOR SUCH CLAIMS. PURCHASER'S SOLE AND EXCLUSIVE REMEDIES ARE REPLACEMENT OF PRODUCT, REPAIR OR REPLACEMENT OF PRINT HEADS AS PROVIDED HEREIN, OR ISSUING A CREDIT AGAINST PAST OR FUTURE PURCHASES OR CREDITING OF PURCHASE PRICE, IN SELLER'S SOLE DISCRETION. ALL CLAIMS, SUITS, OR LEGAL ACTIONS NOT FILED BY PURCHASER WITHIN ONE YEAR OF THE DATE A CAUSE OF ACTION HAS ACCRUED ARE WAIVED AND BARRED.**
- (b) **PURCHASER UNDERSTANDS AND AGREES THAT FOR AVERY DENNISON TO BE ABLE TO EVALUATE A CLAIM UNDER THIS WARRANTY, AVERY DENNISON MUST BE ABLE TO TEST RETAIN SAMPLES AND EVALUATE THE EFFECTS OF ANY WARRANTY CLAIM BEFORE FURTHER USE OF THE PRODUCTS OR PRINT HEADS. BECAUSE OF THE NATURE OF DIGITAL INK PRODUCTS AND THE LIMITED SHELF LIFE OF SUCH PRODUCTS, PURCHASER SHALL NOTIFY AVERY DENNISON OF ANY CLAIM UNDER THIS WARRANTY WITHIN FIVE (5) BUSINESS DAYS OF BECOMING AWARE OF AN INK DEFECT AND WITHIN TWO (2) DAYS OF PRINT HEAD DAMAGE, AND FAILURE TO DO SO WAIVES AND BARS CLAIMS UNDER THIS WARRANTY. AVERY DENNISON SHALL NOT BE LIABLE FOR A BREACH OF THE WARRANTY IF PURCHASER MAKES ANY FURTHER USE OF SUCH PRODUCTS AFTER GIVING SUCH NOTICE, OR IF PURCHASER ALTERS OR REPAIRS PRODUCTS OR PRINT HEADS WITHOUT THE PRIOR WRITTEN**

CONSENT OF AVERY DENNISON. AVERY DENNISON RESERVES THE RIGHT (BUT SHALL NOT BE OBLIGATED) TO INSPECT ALL PRINT HEADS REPORTED DAMAGED AND TO PERFORM AN ON-SITE INSPECTION WITH RESPECT TO ANY WARRANTY CLAIM SUBMITTED.

- (c) **AVERY DENNISON SHALL HAVE NO LIABILITY WHATSOEVER FOR SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES (NOR FOR DAMAGES FOR INJURIES TO PERSONS OR PROPERTY, BUSINESS INTERRUPTION, DIMINUTION IN VALUE AND LOST PROFITS, REGARDLESS OF WHETHER THE DAMAGES ARE CHARACTERIZED AS DIRECT OR CONSEQUENTIAL DAMAGES OR OTHERWISE) WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, AND REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT AVERY DENNISON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSES. AVERY DENNISON WILL NOT BE RESPONSIBLE FOR NORMAL WEAR AND TEAR OF FILTERS, PRINT HEADS AND OTHER CONSUMABLES. PURCHASER MUST NOTIFY AVERY DENNISON IF ANY PRINTER MODIFICATIONS OF ANY KIND HAVE BEEN MADE TO THE PRINTER, PRIOR TO INTRODUCING PRODUCTS TO THE INK DELIVERY SYSTEM.**

11. ASSIGNMENT

The rights or obligations of AVERY DENNISON and PURCHASER related to the purchase and sale of AVERY DENNISON Products shall be binding on, inure to the benefit of, and will be enforceable by AVERY DENNISON and PURCHASER and their respective heirs, legatees, legal representatives, successors and assigns.

12. NON-WAIVER

No waiver by AVERY DENNISON of any of the provisions of these Terms and Conditions is effective unless explicitly set forth in writing and manually signed by an officer of AVERY DENNISON. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from these Terms and Conditions may be construed as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege under these Terms and Conditions precludes any other or further exercise of any right, remedy, power or privilege.

13. FORCE MAJEURE

AVERY DENNISON shall not be liable to PURCHASER, nor be deemed to have defaulted on or breached these Terms and Conditions, for any delay or failure in fulfilling or performing any sale, contract for sale, shipment, service, or any other matter in connection with the sale and shipment of Products or these Terms and Conditions to the extent such failure or delay is caused by or results from (1) circumstances, causes, or contingencies beyond AVERY DENNISON's reasonable control including, whether similar or dissimilar to the items listed in (2) of this Section 13, or (2) changes in shipment schedules, accident, fire, strike, lockout or other labor dispute, disease or epidemic, riot, civil commotion, insurrection, war, terrorist act, the elements, embargo, failure of carrier, inability to obtain transportation facilities, inability or delay in obtaining adequate or suitable materials, telecommunications or power outage, government requirements, acts of God or public enemy, prior orders from others, or limitations on AVERY DENNISON's or its suppliers' products or marketing activities.

14. CHOICE OF LAW

Any and all disputes that arise out of or from, or that relate in any manner to, these Terms and Conditions, the Products, sales and contracts for sale of Products, or the dealings of the parties shall be governed by, construed, and enforced in accordance with the laws of the State of Ohio, without giving effect to Ohio's or any other state's choice or conflict of laws provision or statute.

15. ENTIRE AGREEMENT

Standard Terms and Conditions of Sale
Digital Ink Solutions North America Division

These Terms and Conditions and AVERY DENNISON's sales order acknowledgment or confirmation embody the final and entire agreement between AVERY DENNISON and PURCHASER concerning the subjects herein, are intended as a complete and exclusive statement of the terms and conditions of agreement regarding the Products and the sale of Products set forth on AVERY DENNISON's sales order acknowledgment, and supersede any prior or collateral written or oral agreement, negotiations, or understanding between the parties relating to the subject matters hereof. PURCHASER acknowledges that AVERY DENNISON has not made any representation or promise to PURCHASER, and that PURCHASER has not relied on any representation or promise, other than those which are specifically referred to or contained herein. Confirmation or acceptance of PURCHASER's Order does not constitute acceptance of or agreement to PURCHASER's terms and conditions. The parties confirm that it is their wish that these Terms and Conditions and any other documents delivered or given under these Terms and Conditions, including notices, have been and will be in the English language only. *Les parties aux présents confirment leur volonté que cette convention de même tous les documents, y compris tous avis, s'y rattachant, soient rédigés en anglais seulement.*

AVERY DENNISON CORPORATION
DIGITAL INK SOLUTIONS DIVISION