

STANDARD TERMS AND CONDITIONS

1. **ACCEPTANCE.** All orders are subject to acceptance by Buyer at Seller's applicable manufacturing facility. "Terms and Conditions" means collectively, the terms and conditions contained herein. Any Terms and Conditions originating with Buyer are superseded by the Terms and Conditions and shall not be or become part of the contract between Buyer and Seller unless specifically accepted in a writing signed by a duly authorized officer of Seller. Acknowledgment of the receipt of any order, including signing and returning to Buyer its acknowledgement copy, if any, shall not constitute acceptance by Seller of any additional or different terms and conditions, nor shall Seller's commencement of work, in itself, be construed as acceptance of an order containing additional or different terms and conditions. Seller shall have no liability until and unless the orders are accepted.
2. **PRICES.** Prices for and payment terms of the Goods are set forth in the attached Proposal.
3. **TAXES.** Prices do not include any sales, use, excise, property, import, export or other taxes that may be levied on the transaction by local, state, federal or foreign governments. Any such taxes shall be the responsibility of Buyer.
4. **DELIVERY.** All shipments are made Ex Works (INCOTERMS 2000) Seller's factory. Delivery to a common carrier or licensed trucker shall constitute tender of delivery to Buyer and all risk of loss or damage in transit shall be borne by Buyer. In no event shall Seller be held liable for any damages or expenses caused by delays in delivery. The parties recognize that delivery dates are approximate. The acceptance of the Goods by Buyer shall constitute a waiver of all claims for delay. Buyer and Seller agree that "TIME IS NOT OF THE ESSENCE" in Seller's performance of this order. All packages shall be subject to a \$5.95 USD handling charge per crate/box.

Seller shall not be liable for delay in delivery or failure to manufacture due to causes beyond its or its subcontractors' reasonable control, including, but not limited to, delays or failures due in whole or in part to, acts of God, acts of Buyer, acts of civil or military authority, priorities, fire, strike, floods, acts of terrorism, insurrection, epidemics, quarantine, war, riot, transportation delays, acts of a public enemy, inability to obtain necessary labor, materials or manufacturing facilities, or other causes similar to those enumerated. In the event of any such delay or failure, the date of delivery of the Goods shall be extended for a period equal to the time lost by reason of the delay.
5. **CANCELLATION CHARGES.** Buyer understands and agrees that the Goods are being specifically manufactured for the Buyer by Seller and that any cancellation of an order shall result in the cancellation charges described in the Proposal. In addition, any postponement of a delivery of Goods by Buyer by more than ninety (90) days shall be deemed a cancellation of the order and shall be subject to these cancellation charges. Seller reserves the right to ship and bill "in place" any order which is complete and which meets Buyer's requirements and specifications as defined in the order if shipment of this order is delayed by Buyer's source inspector more than five (5) calendar days from its scheduled shipping date.
6. **TERMS OF PAYMENT.** Unless otherwise specified, terms of payment are net thirty (30) days from date of invoice. Late charges shall incur an interest rate of one percent (1%) per month or the maximum rate allowable under applicable laws, whichever is less.
7. **WARRANTY.** Seller warrants that the Goods sold hereunder are free from defects in material and workmanship for a period of twelve (12) months from date of delivery ("Warranty Period"). Seller warrants its Good(s) only to the original purchaser.

This express warranty in this paragraph is in lieu of and excludes all other warranties, express or implied, by operation or law or otherwise including THE WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE (WHETHER KNOWN TO SELLER OR NOT), all other such warranties being hereby expressly disclaimed by Seller and waived by Buyer.

Seller's sole obligation under this warranty is limited to furnishing without additional charge a replacement for, or at its option, repairing or issuing credit for any goods that shall within the Warranty Period be returned freight prepaid to Seller's facility and that upon inspection are determined by Seller to be defective in material or workmanship. Buyer must give written notice of claimed defects to Seller within the period set forth above, and

within thirty (30) days from the date any such defect is first discovered. The Goods or parts claimed to be defective must be returned to Seller, accompanied by a Return Material Authorization (RMA) issued by Seller's facility responsible for supplying Goods, with transportation prepaid by Buyer, with written specifications of the claimed defect. The provisions of this warranty shall not apply to any Goods that have been subjected to misuse, improper operating conditions or that have been repaired or altered.

If a warranty claim is valid, Seller shall pay reasonable one-way costs of transportation of the defective Goods from either the original destination or the location where defect occurred, whichever is closest to Seller's facility. Under no circumstances shall Seller be liable for removal of Seller's Goods from Buyer's equipment or re-installation into Buyer's equipment.

Computer software programs that may be included in the Goods sold to Buyer have been designed to perform a given set of tasks as defined in the documentation provided and are offered AS IS. It is Buyer's responsibility to determine if the features of the software programs are suitable for Buyer's requirements and must confirm that the software programs operate correctly. Buyer understands that such software programs are of such complexity that they may have inherent defects and that Seller makes no warranty that all software features will perform correctly as supplied. For Seller's software utilizing automation servers, improper reading and writing data to the automation server can cause the automation server software to malfunction and may cause the automation server and/or the program writing to the automation server to crash. Improperly reading and writing data to an automation server may cause the device controlled by that automation server to malfunction. Seller shall not be responsible for damage to any device or damage caused by any device due to the improper reading and/or writing of data to an automation server.

Any extended warranty for the Goods must be agreed upon in writing by Buyer and Seller.

8. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING TO THE CONTRARY, SELLER SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES INCLUDING LOST PROFITS ARISING OUT OF THE PERFORMANCE, DELAYED PERFORMANCE OR BREACH OF PERFORMANCE OF THIS ORDER REGARDLESS OF WHETHER SUCH LIABILITY BE CLAIMED IN CONTRACT, EQUITY, TORT OR OTHERWISE. SELLER'S OBLIGATION IS LIMITED SOLELY TO REPAIRING OR REPLACING (AT ITS OPTION AND AS SET FORTH ABOVE), AT ITS APPROVED REPAIR FACILITY, ANY GOODS OR PARTS WHICH PROVE TO SELLER'S SATISFACTION TO BE DEFECTIVE AS A RESULT OF DEFECTIVE MATERIALS OR WORKMANSHIP, IN ACCORDANCE WITH SELLER'S STATED WARRANTY. IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE TOTAL PURCHASE PRICE SET FORTH IN THIS PROPOSAL.
9. **GENERAL INDEMNITY.** Buyer agrees to hold Seller harmless from any and all liability, and to pay all costs and attorney's fees, for injury or damage to persons or property caused in any manner by Goods covered by the order while in possession or under the control of Buyer or Buyer's successor in interest.
10. **PROPERTY RIGHTS.** Except where otherwise expressly agreed, all patterns, tools, jigs and fixtures, drawings, designs, software and other materials and data developed, fabricated or otherwise required in the performance of this order, notwithstanding any charges therefore, shall be and remain Seller's property and in Seller's possession and control. Except as specifically provided for in this order, Buyer shall have no right to any technical data and computer software associated with this order.
11. **RIGHT TO GOODS; DEFAULT; INSOLVENCY.** If Buyer becomes insolvent or if Buyer is in default for credit reasons under the terms of this or any of the agreement between Buyer and Seller, Seller shall be entitled, at Seller's option, to discontinue further performance of all or part of the order, to withhold shipments, in whole or in part, and/or to recall Goods in transit, retake same, and repossess all Goods which may be stored with Seller for Buyer's account, without the necessity of taking any other proceedings. Buyer consents that all Goods so withheld, recalled, retaken or repossessed shall become Seller's absolute property provided that Buyer is given full credit therefore. The foregoing shall not be construed as limiting, in any manner, any rights or remedies available to Seller under contract, at law or equity.
12. **NON-WAIVER BY SELLER.** Waiver by Seller of a breach of any of the Terms and Conditions shall not be construed as a waiver of any other breach. Any failure at any time of Seller to enforce any provision of these Terms and Conditions shall not constitute a waiver of such provisions or prejudice Seller's right to enforce such

provisions at any time. Should any provision of these Terms and Conditions be or become void or not enforceable by force or operation of law, all other provisions shall remain valid and enforceable.

13. **ASSIGNMENT.** Buyer shall not assign, subcontract, or otherwise transfer the order, in whole or in part, without the prior written consent of Seller, and any such assignment, subcontract, or transfer without Seller's prior written consent shall be void.
14. **CHANGES.** Changes in whole or in part of the order can be made only with Seller's written consent and upon terms that will permit an equitable adjustment to be made in both the price and schedule of the Goods to be delivered. Changes will be recognized and implemented only when communicated to Seller by Buyer's authorized representative, in writing.
15. **TERMINATION.** Termination of the order in whole or in part can be made only with Seller's consent and upon terms that will indemnify Seller against loss and afford an equitable profit.
16. **INSPECTION AND ACCEPTANCE OF GOODS.** Final inspection and acceptance of Goods provided under this order shall be made by Buyer within fourteen (14) days of receipt of the Goods at Buyer's facility, except in the case where Buyer's source inspector or authorized representative inspects the Goods at Seller's facility. Failure of Buyer to inspect said Goods at its facility within the above time period (where source inspection is not applicable) should be deemed to mean acceptance has occurred. In the event Buyer's source inspector is delegated to perform inspection and acceptance, then sign-off of the relevant test documentation and shipping documents by the source inspector or authorized representative shall constitute acceptance of the Goods by Buyer.
17. **INSTALLATION.** All Goods shall be installed by and at the expense of Buyer. Should Buyer request the services of Seller, such service shall be rendered and charged at the established rate at the time of performing said service, plus all other expenses including travel, hotel bills and living expenses.
18. **GOVERNING LAW; LIMITATION ON ACTIONS.** This order shall be governed and construed in accordance with the laws of the State or Commonwealth of Seller's manufacturing facility, USA. No actions arising out of the sale of Goods covered by this order, other than an action by Seller to recover the purchase price of such Goods, may be brought by either party more than one (1) year after the cause of action accrues. The terms of the United Nations Convention for the International Sale of Goods (UNCISG) shall not apply to the sale of Goods.