

## Terms & Conditions of Sale

1. **Payment Terms:** Payment terms are net 30 days. Discounts are not given for early payment. Buyer cannot reduce payment amount due to Seller for any reason.

2. **Prices:** Prices quoted are in U.S. dollars and do not include Federal, State, Local or Excise taxes. Applicable taxes in effect at the time of shipment will be added unless the Buyer has submitted a Certificate of Exemption to the Seller. Prices are subject to change without notice.

3. **Acceptance and Governing Law:** Orders will be valid only when accepted in writing at Seller's office, 2250 Northwood Drive, Salisbury, Maryland, U.S.A. The contract arising therefrom shall be deemed to have been entered into in the State of Maryland and its interpretation, construction, and the remedies for its enforcement shall be in accordance with Maryland law, without reference to conflict of laws principles.

4. **Credit:** Orders are subject to approval by the Seller's Credit Department. Payments by credit card are acceptable subject to proper authorization.

5. **Delivery:** Delivery times quoted are based on the date the order is accepted by the Seller. The Seller shall not be liable for delays resulting in its inability to fulfill its contractual obligation hereunder when the causes thereof are beyond the reasonable control of the Seller. Such circumstances include, but are not limited to, acts of God, acts of public enemy, acts of civil or military authority, or governmental priorities.

6. **Title:** Title and risk of loss or damage to the goods sold hereby shall pass to Buyer upon delivery of goods to a common carrier. FCA Point shall be Point of Shipment.

7. **Shipping:** All freight and handling costs will be prepaid by the Buyer by being added to the order cost or shipped collect to the account number provided by the Buyer. Other arrangements specified by the Buyer must be approved by the Seller. Seller will choose carrier. Seller shall not be responsible for selecting the least expensive or the fastest routing. Shipping costs are calculated as a percentage of total order cost. Duties and customs charges shall be paid by the Buyer. Freight costs for international shipments being shipped via a freight forwarder is calculated to the destination airport. Buyer is responsible for transportation of the goods from destination airport to Buyers' address. Shipping terms shall be FCA Point of Shipment. Shipping terms are in accordance with Incoterms 2010.

8. **Claims:** Claims for shortages must be made to the Seller in writing within thirty (30) calendar days after the date of shipment from the Seller's plant. All goods become the property of the Buyer upon delivery to the carrier. Claims for goods lost in transit or damage must be made immediately against carrier by the Buyer.

9. **Change Order:** Any request for a change order from the Buyer shall be made in writing and no change shall be made pursuant to this clause unless agreed to in writing and signed by the Seller. If a change order causes an increase or decrease in the cost of labor and/or materials required in the performance of any part of the work and/or the production and/or delivery of the goods which are the subject of the order and change order, an equitable adjustment shall be made in the contract price quoted and agreed to for the goods and the schedule for delivery of the same shall be modified accordingly. Seller shall have no obligation to commence any extra or changed work relating to the change order without a written agreement as to adjustments to contract price and delivery schedules effective thereby.

10. **Returns and Credits:** Products may be returned at Buyer's convenience with Seller's prior written approval. No credit shall be allowed for returned goods except as provided hereunder. If authorized by Seller, credit will be allowed only for the purchase price of the returned goods, excluding shipping and taxes. Any refurbishing of the equipment or goods returned that is required to return the same to a condition acceptable to the Seller will be charged by Seller against the credit requested by Buyer at Seller's current repair rate. Credit for the returned material will only be issued to the original Buyer. Cancellation by the Buyer of acknowledged orders by the Buyer will be accepted only upon terms which will fully protect Seller against loss on account of the same and which are accepted by the Seller in writing. Seller reserves the right to reject any and all returned goods and equipment.

11. **Specifications:** All specifications of the Seller's products are subject to change without notice. The Seller reserves the right to discontinue the manufacture of any product. The Seller reserves the right to modify any product, goods and/or equipment without the consideration of compatibility of previously manufactured products.

12. **Intellectual Property Indemnity** Seller hereby disclaims any warranty or indemnity that use, sale, resale or any other disposition by the Buyer or others of products and goods sold hereby is free from infringement of any other party's intellectual property rights, including patents. Seller does not indemnify Buyer or any other person against such infringement, except that Seller may, in its discretion, assist Buyer or others in settlement of infringement disputes by providing relevant information. Buyer shall indemnify and save Seller harmless against any claims for any damages and costs in any suit alleging infringement of any United States or foreign patent by the manufacture, use or sale of products and goods supplied by the Seller pursuant to Buyer's order and made in accordance with the design and specification provided to Seller. Seller shall give prompt written notice of any claims or of the bringing of such a suit, and an opportunity shall be given to Buyer to settle or defend the same of its own account.

13. **Product Warranty:** Products and goods sold by Seller and covered by this warranty are warranted to be free from defects in material and workmanship at the time of and for a period of one (1) year from the date of shipment from Seller to the Buyer (i.e. delivery of same to the Buyer's carrier). Seller's warranty obligation hereunder shall be limited to making adjustments by repair, replacement, or refund of the purchase price of any goods and products at the option of the Seller, which are returned to the Seller as provided below within one (1) year from the date of shipment by the Seller. In no event shall Seller be liable for direct, indirect, special, consequential or punitive damages for breach of warranty.

Adjustment shall not be allowed for products which have been damaged by lightning, subjected to abuse, improper application of installation, alteration or accident, negligence in use, storage, transportation or handling. Alteration or removal of the serial number or identification markings voids this Warranty. Seller shall have the right of final determination as to the existence and cause of a defect, whether adjustment will be allowed, and if allowed, whether adjustment will be by repair, replacement, or refund.

Buyer will pay for all packing, transportation, and transit insurance costs for returned products. The Seller reserves the right to discontinue models at any time or change specifications, design, or prices without notice and without incurring any obligation. Products will be returned to the Buyer with transportation cost collect.

Subject to the provisions of its "Intellectual Property Indemnity" clause, the Seller also warrants that it has the right to sell its product, that the Buyer shall have and enjoy possession thereof against lawful claims existing at the time of the sale by the Seller, and that said products are free from any charge of encumbrance in favor of third persons existing at the time of sale by the Seller.

The foregoing constitutes the Seller's entire warranty, express, implied or statutory with respect to its products and states the full extent of its liability for the breach of Warranty and for damages, whether direct, indirect, special, consequential or punitive resulting from any such breach. No change whatsoever thereto shall be binding upon the Seller unless made and agreed to in writing by the Seller and signed by a corporate officer of the Seller.

14. **Termination:** Buyer may, by thirty (30) days written notification, direct Seller to terminate this Contract for convenience. In the event an order is cancelled for Buyer's convenience, Buyer shall be financially liable for the sales price of all finished goods inventory, plus the total cost of all work in process, all raw materials purchased for the product, including long lead time and/or bulk material, a reasonable profit and any other commitment made by or cost incurred by Seller for the specific purpose of complying with the order.

15. **Arbitration:** All disputes arising out of or in connection with the present contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. Arbitration shall be conducted in English in Wicomico County, Maryland, U.S.A. The arbitration panel shall include three arbitrators (unless a single arbitrator can be agreed upon by the parties). A judgment upon the award rendered by the arbitrator(s) may be entered thereon on a court of appropriate jurisdiction. The parties specifically agree to the binding nature of the arbitration.

Rev. C (1/2012)

