

STANDARD TERMS AND CONDITIONS OF SALE

Revision 09-25-2012

1. TERMS AND CONDITIONS: Seller's offer to sell and Seller's acceptance of Buyer's Order for the goods or services set forth therein is expressly conditioned upon Buyer acceptance of Seller's Terms and Conditions as specified herein. Seller shall not be bound by the Terms and Conditions set forth in Buyer's Order. No modifications of these Terms and Conditions shall be binding upon Seller unless accepted by Seller in writing.

2. DELIVERY: Unless otherwise specifically provided, Seller will arrange for the Carrier to transport the Product at the Buyer's risk and cost, and delivery will take place when the Product is made available to the Carrier at Seller's facility (i.e. F.O.B. Seller's plant for domestic shipments or Incoterms 2010 – FCA Seller's plant for international shipments).

- a) Buyer shall notify Seller in writing relative to any shortages, within 10 days from receipt of Product.
- b) Buyer shall promptly notify the Carrier of any damage to, loss from or non-receipt of any Product if transportation has been arranged by or on behalf of the Buyer. The Seller shall not be liable for any such damage, loss or non-receipt.
- c) Shipping dates are approximate and are dependent on:
 - (1) Receipt by Seller of all information required for Seller to proceed with work immediately and without interruption.
 - (2) Buyer's compliance with payment and other terms of Buyer's performance obligations.
 - (3) Buyer's timely submission of any required export/import documents that Seller may require.

3. ACCEPTANCE: Seller is entitled, upon coordination with Buyer, to make delivery of Products by partial installments, and to invoice for each installment individually. Buyer will be deemed to have accepted the Product(s) on the earliest of the following:

- a) Within 15 days of the date of delivery of Product(s), unless Buyer notifies Seller in writing of any failure of the goods to conform to the Order.
- b) Written notification by Buyer to Seller of any failure of the Product to conform to the Order within a reasonable time, where the defect or failure would not be so apparent within 15 days of the date of delivery.
- c) When the Product(s) are first put into use by the Buyer or its customer. Thereafter, the Buyer shall not be entitled to reject the goods, and the Buyer shall be bound to pay the price for the goods.

4. FORCE MAJEURE: Seller shall not be held liable for delay or failure in shipment or delivery of Products due to any cause beyond the reasonable control of the Seller, including, without limitation, war, fire, flood, strikes or other labor disturbance, accidents, Act of God, governmental order or requirement, interruption, transportation facilities or energy supply, or events beyond the reasonable control of its suppliers or subcontractors ("Force Majeure") and Seller shall be excused from deliveries to the extent that deliveries may be prevented or delayed by the foregoing Force Majeure. During any such Force Majeure, the Seller will endeavor in good faith to allocate deliveries fairly among its buyers but expressly reserves in its discretion, without liability to the Buyer, the final determination of deliveries to be made. If said Force Majeure continues for a continuous period in excess of ninety (90) days Seller may terminate the Order without liability by providing written notice to the Buyer.

5. PRICING: Prices are in U.S. dollars (\$) unless otherwise stated. The prices stated in the order are firm and fixed and cannot be modified except as a result of mutually agreed-upon written change orders.

6. PAYMENT TERMS: For customers with established credit approved by Seller, payment terms are Net 30 days from the date of invoice. Seller may accept payment by credit card upon Buyer inquiry and Seller confirmation. Seller reserves the right to deny, modify or revoke payment terms at any time based on Buyer's late payment record or change in financial condition. If any sum due from Buyer to Seller under the Order or any other order is not paid to Seller on or before the payment due date, then all sums then owing by the Buyer to the Seller shall become due and payable immediately and, without prejudice to any other right or remedy available to the Seller, Seller shall be entitled to:

- a) Cancel or suspend performance of the Order, including suspending deliveries of the Product until arrangements as to payment or credit have been established which are satisfactory to the Seller.
- b) Require the Buyer to pay for Products prior to shipment from the Seller's place of business.
- c) Charge the Buyer interest calculated on a daily basis on all overdue amounts (both before and after judgment) until actual payment at the rate of four per cent (4%) per annum until payment is made in full.

7. TAXES: Seller's prices do not include sales, use, excise or similar taxes. Consequently, in addition to the price specified, the amount of any present or future sales, use, excise or similar tax applied directly to the sale hereunder shall be paid by Buyer or, in lieu thereof, Buyer shall provide a tax exemption certificate acceptable to the taxing authorities.

8. EXPORT COMPLIANCE: The information which the Parties disclose, and the Products which the Parties deliver to each other pursuant hereto may be subject to the provisions of trade compliance regulations (including export and import regulations) of various countries. The Parties acknowledge that licenses from the applicable regulatory agency may be required before the Parties may disclose or deliver such information and/or Products hereunder, and that such licenses may impose further restrictions on use and further disclosure of such information and/or Products. The Parties agree to comply with all applicable governmental regulations as they relate to the import, export and re-export of information and/or Products hereunder. Each Party shall indemnify and hold the other Party harmless to the full extent of any loss, damage or expense, excluding lost profits, for any failure of the other Party to comply with such laws and regulations. Seller shall not be liable for delays or refusals by governmental authorities or other authorities to grant licenses or approvals, nor for suspension or revocation thereof. Buyer is responsible for providing Seller-requested information, including but not limited to end-use/end-user information necessary for obtaining export licenses or other export approvals.

9. TERMINATION FOR CONVENIENCE: In the event Buyer terminates the Order for Buyer's convenience, Buyer shall pay the Seller as follows:

- a) All amounts due under the Order in respect of work performed and goods delivered up to the date of termination.
- b) Any sums which have been paid by the Seller to its subcontractors and supply chain to carry out Buyer's requirements.
- c) The cost of any work, materials and tooling purchased by Seller including initial costs and preparatory expenses allocable thereto, exclusive of costs attributable to goods and services paid or to be paid for the Order (and not otherwise used by the Seller).
- d) Any non-recurring engineering and project investment costs not paid by Buyer or recovered by Seller under the Order.
- e) The costs of settling and paying claims arising out of the termination of work under subcontracts as provided above, exclusive of the amounts paid or payable on account of supplies or materials delivered or services furnished by the subcontractor prior to the effective date of the termination of work.

10. WARRANTY AGREEMENT:

- a) Seller expressly warrants that all Products furnished hereunder conform to the specifications, drawings and samples which have been mutually agreed to by the Parties within the Order, and at time of delivery will be free from defects in material and workmanship.
- b) If Buyer submits to Seller reasonable written details establishing a breach of the warranty set forth above, Seller's liability for failure of any Product to comply with the foregoing shall be limited to replacing or repairing that Product found to be defective. Such Product will be repaired or replaced, at Seller's sole option, without charge and will be re-warranted for the remainder of the original warranty period. Should said defect be determined not to be covered by warranty, Seller shall advise Buyer of such and shall not proceed further without Buyer's written authorization to do so.
- c) Buyer shall pay all costs to return the Product to Seller. Seller shall pay all reasonable packaging and transportation costs for return of the Product of a valid warranty claim to Buyer. Seller is not liable for the removal of Products from, or installation of the Product into, any other property to which it may be attached or incorporated.
- d) Seller's warranty liability is limited to the repair or replacement of defective Products, or, if repair or replacement is impossible or cannot be accomplished within a reasonable period of time, Seller at its sole discretion will return the purchase price including transportation. No allowances shall be made to Buyer for any transportation, labor charges or parts, adjustments or repairs, or any other work performed by Buyer or

- third parties, unless such charges are authorized in advance.
- e) Seller's liability under this warranty for NEWLY MANUFACTURED and OVERHAULED components shall expire if it has not received written notice of defect within thirty days after discovery of defect, or twelve months from the date of Product delivery to Buyer, whichever period first expires. Seller's warranty period for REPAIRED components shall expire six months from the date repaired article is delivered to Buyer for parts replaced only.
 - f) EXCLUSIONS FROM WARRANTY: These warranties shall not extend to:
 - (1) Any Product or parts thereof which has been modified, altered, installed, used or serviced otherwise than in conformity with Seller's applicable specifications, manuals, bulletins or instructions, or, if none, for Product or parts which have been subjected to improper installation, misuse or neglect. The warranty shall not apply to any Product or parts thereof furnished by Buyer or acquired from others at Buyer's request to Buyer's specifications.
 - (2) Items which are expendable in nature, such as, but not limited to, diodes, transistors, o-rings, packings, fuses, etc. Seller does not agree to repair or replace such items.
 - (3) Seller shall not be responsible for removal of the Product from, or installation of the Product into, any other property to which it may be attached or incorporated, for any costs related thereto, or for any special, indirect, consequential, collateral, or other damages.
 - (4) Any Product not manufactured by Seller. Buyer shall only be entitled to the benefit of any warranty or guarantee given by the manufacturer to the Seller, to the extent that it is assignable by the Seller to the Buyer.
 - (5) Product that has not been maintained or operated in accordance with Seller's instructions.
 - (6) Minor deviations from specifications which do not affect performance of the Product shall not be deemed to constitute defects in materials or workmanship or a failure to comply with these specifications referred to herein. The need for regular overhaul of warranted equipment shall not constitute a defect or failure under this warranty.
 - (7) Normal wear and tear, willful or accidental damage, harsh environment, experimental running.
 - (8) Product with a stated shelf life or 'use by' date, if such shelf life has expired or 'use by' date has passed.
 - (9) Tooling purchased or made for the purpose of manufacturing the Product.
 - (10) Buyer or its customer fails to afford the Seller a reasonable opportunity to inspect the Products.

ANY OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED IN FACT OR IMPLIED IN LAW, ARE HEREBY SPECIFICALLY EXCLUDED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. THE REMEDIES OF BUYER SHALL BE LIMITED TO THOSE PROVIDED HEREIN. IN NO EVENT WILL SELLER BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR LOSS OF PROFIT, LOSS OF REVENUES OR LOSS OF USE.

11. LIMITATION OF LIABILITY: Nothing in the Order shall exclude or limit liability for death or personal injury caused by Seller's negligence or for fraudulent misrepresentation or for any liability that cannot legally be excluded or limited.

This document sets out the entire liability of Seller (including any liability for the acts or omissions of its subcontractors) in respect of any breach of the Order and any representation, statement or act of tort or omission including negligence arising under or in connection with the Order. All warranties, conditions and other terms implied by statute or common law are, to the fullest extent permitted by law, excluded from the Order.

EXCEPT AS STATED ABOVE, THE TOTAL AGGREGATE LIABILITY OF SELLER ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OF THE ORDER, WHETHER FOR NEGLIGENCE OR OTHERWISE, SHALL IN NO EVENT EXCEED THE AMOUNT PAID BY BUYER UNDER THIS ORDER IN THE YEAR PRECEDING NOTIFICATION OF LIABILITY. IN NO EVENT SHALL SELLER BE LIABLE FOR LOSS OF PROFIT, LOSS OF USE, LOSS OF BUSINESS, LOSS OF REVENUE OR FOR ANY INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL LOSS HOWSOEVER CAUSED.

12. INTELLECTUAL PROPERTY RIGHTS: Any intellectual property rights (including, without limitation, patents, registered and unregistered designs, trademarks and service marks (registered or not) and copyright and any applications for them) in the Product or in any molds, tools, designs, drawings, or production data owned by Seller or created by Seller in the course of the performance of the Order or otherwise used in the manufacture of the Products shall remain Seller's property unless otherwise expressly agreed by Seller. Seller grants, on full

payment for the Product the non-exclusive right for the Buyer and bona fide purchasers from the Buyer to use, for the operation of the Products for their intended purpose only, (a) any software supplied with, or embedded in, the Product, and (b) technical manuals and instructions relating to operation and maintenance of the Product. Buyer hereby grants to Seller, a non-assignable non-exclusive, royalty-free license to use any intellectual property rights (including, without limitation, patents, registered and unregistered designs, trademarks and service marks (registered or not) and copyright and any applications for them) owned by Buyer to the extent necessary for Seller to supply the whole or any part of the Product in accordance with the Order. Except as expressly stated herein, nothing in the Order shall be deemed to have given the Buyer a license or any other right to use any of the intellectual property rights of the Seller unless otherwise expressly agreed by the Seller.

13. CONFIGURATION REVISION LEVEL: Seller reserves the option of delivering Product that meets Seller's current revision level drawing at the time of order placement. Seller's current drawing revision shall take precedence over obsolete Seller drawing revision levels that are referenced on any resulting Order.

14. ACCEPTANCE OF QUOTATIONS: Seller's quotation or proposal shall automatically expire unless accepted by Buyer by issuance of an Order or Notice of Award within thirty (30) days from the date of quotation or proposal, or such longer period as may be specified in the quotation or proposal. The quotation may not be accepted in part unless agreed to in writing by Seller.

15. GENERAL:

- a) Nothing in the Order shall create or be deemed to create a partnership or joint venture or relationship of employer and employee or principal and agent between the parties.
- b) The rights and remedies of Seller in respect of the Order shall not be diminished, waived or extinguished by the granting of any indulgence, forbearance or extension of time granted by the Seller nor by any failure of or delay by Seller in ascertaining or exercising any such rights or remedies. The waiver by Seller of any breach of the Order shall not prevent the subsequent enforcement of the Order and shall not be deemed to be a waiver of any subsequent breach of that or any other terms and conditions.
- c) If at any time any one or more of the terms of the Order or any part of one or more of these terms and conditions is held to be or becomes void or otherwise unenforceable for any reason under any applicable law, the same shall be deemed omitted from the Order and the validity and/or enforceability of the remaining terms and conditions of the Order shall not in any way be affected or impaired as a result of that omission.

16. GOVERNING LAW, ARBITRATION AND DISPUTES: All disputes shall be referred to and resolved by binding arbitration administered in Los Angeles County, California by JAMS pursuant to its Streamlined Arbitration Rules and Procedures. The United Nations Conventions on Contracts for the International Sale of Product 1980 shall not apply to any aspect of the Order.