

SIGNAL TRANSFORMER CO. ("SELLER") TERMS AND CONDITIONS OF SALE

NOTICE: THE SALE OF ANY PRODUCTS ("PRODUCTS") IS SUBJECT TO AND CONDITIONED UPON ACCEPTANCE OF THE FOLLOWING TERMS. ANY ADDITIONAL OR DIFFERENT TERMS PROPOSED BY PURCHASER ARE OBJECTED TO BY AND WILL NOT BE BINDING UPON SELLER UNLESS SPECIFICALLY ASSENTED TO IN WRITING BY SELLER. UNLESS EXPLICITLY OBJECTED TO BY PURCHASER IN A WRITING RECEIVED BY SELLER WITHIN 5 DAYS, THESE TERMS SHALL APPLY TO THIS SALE WHETHER OR NOT THEY APPLIED TO A PRIOR PURCHASE BY PURCHASER. EACH OF THE TERMS SET FORTH BELOW SHALL APPLY UNLESS OTHERWISE SET FORTH ON THE FRONT.

- 1) Acceptance. All orders are subject to final acceptance by SELLER and no orders are binding upon SELLER until so accepted.
- 2) Deliveries. All deliveries are FCA SELLER's facility (INCOTERMS 2000), via common carrier or other reasonable means chosen by PURCHASER. Delivery is conditional on timely receipt by SELLER of any necessary documents and down payment, and Purchaser maintaining credit satisfactory to SELLER. Partial deliveries are permissible. SELLER will not be liable for any delays. SELLER may suspend delivery or cancel at any time pending receipt of assurances (including payments) adequate to SELLER of Purchaser's ability to pay.
- 3) Prices. Prices and quantities are quoted FCA SELLER's facility (INCOTERMS 2000). Prices are subject to change by SELLER without notice to Purchaser, and only those prices set forth on the front will apply to the order. Prices do not include any applicable taxes which Purchaser shall pay. All sales are payable in U.S. Dollars.
- 4) Terms of Payment. The purchase price shall be due in full by Purchaser upon shipment of the Products by SELLER. Any extension of credit may be changed or withdrawn by SELLER at any time. Invoices not paid within 30 days will be subject to carrying charges, which shall accrue and be added to the unpaid balance at 1½% per month on any overdue unpaid balance, or the maximum rate permitted by law, whichever is less. Purchaser shall reimburse SELLER for the costs of collection (including, without limitation, attorneys' fees) of any overdue amount owed by Purchaser to SELLER, and such collection costs shall also be subject to the carrying charges. Purchaser may not hold back or set-off any amounts owed to SELLER for any reason.
- 5) Returned Products and Claims. Within 10 days after Purchaser's receipt of Products, Purchaser must give detailed written notice to SELLER's Customer Service Department of any claim based upon the condition, quantity, or grade of the Products or of any claimed nonconformity with Purchaser's specifications. Purchaser's failure to do so shall constitute irrevocable acceptance of the Products. Products sold shall not be returned without SELLER's prior written consent and a completed "Return Goods Authorization" form (which can be obtained from SELLER's Customer Service Department), and SELLER will not pay transportation charges for return unless authorized in advance. Unused Products which are returned must be returned in the original package.
- 6) Cancellation/Changes. Purchaser may cancel or change an order of "Standard Products" (Products identified in SELLER's Product catalog) by providing written notice to SELLER at least 30 days prior to SELLER's scheduled shipping date for such Products, but only upon terms that will indemnify SELLER against any loss. Purchaser may not cancel or change an order of "Special Products" (Products not identified in SELLER's Product catalog) except with the prior written consent of SELLER and upon terms that will indemnify SELLER against any loss. However, with SELLER's prior written consent, Purchaser may delay the scheduled shipping date by up to 30 days for Special Products by providing written notice at least 7 days prior to such date. SELLER may correct mathematical or clerical errors.
- 7) Limited Warranty. SELLER warrants that at the time of shipment by SELLER Products manufactured by SELLER will be free from defects in material or workmanship and will conform to the Product's Specifications (defined below). This limited warranty shall become void upon the earlier of: (a) 2 years after the date of manufacture of the Products, or (b) 90 days after the date Purchaser uses or incorporates the Products. As Purchaser's exclusive remedy, SELLER will, in its sole discretion and within a reasonable time, either repair, replace, or refund the purchase price for any Product confirmed by SELLER to have been defective at the time of shipment, only if (i) such Product is returned (at Purchaser's expense and risk) and received by SELLER within 7 days from the date that SELLER issues a RMA# (Returned Material Authorization). In order to obtain a RMA#, SELLER may request samples for verification and confirmation of Purchaser's claim. (ii) Purchaser sets forth in writing to SELLER information describing the defective Product, including the type of Product, invoice number, shipment date, Date Code and/or Lot # and a full description of the defect. Only those specifications, limitations, and recommended applications and uses for Products expressly identified as such and set forth in SELLER's then-current technical data sheet shall be binding upon SELLER (the "Specifications"). Samples, descriptions, representations, and other information contained in SELLER catalogs, advertisements, or other promotional materials or representations made by SELLER employees or sales representatives are for general informational purposes only and are not binding upon SELLER. No employee or sales representative of SELLER shall have any authority to establish, expand or otherwise modify the Specifications. This limited warranty does not cover normal maintenance or items consumed during normal operation, nor normal wear and tear, use under circumstances exceeding the Specifications, abuse, unauthorized repair or alteration, lack of proper maintenance or damage caused by natural causes such as fire, storm, or flood. SELLER shall not be liable for transportation, labor or other charges for adjustments, repairs, replacements of parts, installation, or other work which may be done in connection with the Products sold. This limited warranty shall not be deemed to have failed of its essential purpose so long as SELLER is willing and able to repair, replace or refund the purchase price on any defective Products in the manner specified. No allowance will be made for repairs made by Purchaser. Except as herein provided, SELLER shall not be liable to Purchaser in any manner with respect to the Products. NO OTHER EXPRESSED WARRANTIES AND NO IMPLIED WARRANTIES OF ANY TYPE, WHETHER OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE, OTHER THAN THOSE EXPRESSLY SET FORTH THOSE SET FORTH ABOVE (WHICH ARE MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES) SHALL APPLY TO THE PRODUCTS.
- 8) Limitation of Liability; Exclusion of Damages. IN NO EVENT SHALL SELLER BE LIABLE (i) IN EXCESS OF THE PURCHASE PRICE OF THE ALLEGEDLY DEFECTIVE PRODUCT; OR (ii) FOR INCIDENTAL, SPECIAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS, WHETHER ARISING FROM THE SALE OF PRODUCTS, ANY DEFECT IN THE PRODUCTS, ANY USE OR INABILITY TO USE THE PRODUCTS, OR OTHERWISE.
- 9) Selection; Application; Infringement. Purchaser is solely responsible for proper selection, application, installation, use and incorporation of Products. Purchaser agrees that it will use Products only as intended and according to the Specifications. Purchaser shall indemnify and hold SELLER harmless from any damages, liabilities, claims, expenses (including without limitation attorneys' fees) or losses arising out of or relating to (i) infringement of any patent, trademark, copyright or other third party interest arising out of SELLER's compliance with Purchaser's designs, specifications, or instructions; or (ii) improper selection, application, installation, use or incorporation of Products or abuse of Products. If SELLER requests, Purchaser shall defend SELLER, at its expense, in any such suit brought against SELLER.
- 10) Security Agreement. Purchaser hereby grants to SELLER a continuing purchase money security interest in all Products sold and/or delivered to it and to the proceeds thereof (collectively, the "Collateral") to secure the full payment of the purchase price of the Products and all other obligations of Purchaser to SELLER, whether now owing or hereafter arising (the "Obligations"). This security interest covers future advances and shall attach to Collateral which constitutes after-acquired Collateral. Each item of Collateral shall remain subject to SELLER's security interest until the purchase price of such item is paid and satisfied in full, including any delinquency charges. After an invoice is paid and satisfied in full, the Collateral evidenced by that invoice shall be automatically released from SELLER's security interest. Unless Purchaser otherwise designates in writing at the time of a particular payment, all payments shall be applied to the outstanding invoice having the oldest date first. If two or more outstanding invoices have identical invoice dates, payments shall be applied to the outstanding invoice having the lowest total amount. Purchaser shall execute and deliver any financing statements and other documents that SELLER may reasonably require for the perfection of SELLER's security interest and Purchaser hereby authorizes SELLER to do all other acts reasonably necessary for the establishment, perfection, preservation, and enforcement of its security interest. Purchaser shall maintain adequate insurance against casualty, loss, fire or theft of the Products for so long as the security interest is in effect.
- 11) Excusable Delays. SELLER shall not be liable for any failure to perform due, directly or indirectly, to (i) causes beyond SELLER's reasonable control, and (ii) acts of God or nature, acts of any governmental authority, wars, strikes or other labor disputes, fires, and natural calamities.
- 12) Limitations. Any action by Purchaser relating to this contract or the Products sold must be commenced within 1 year after such cause of action accrued.
- 13) Choice of Law and Forum; Consent to Jurisdiction. Any dispute or claim relating to Products sold shall in all respects be governed by and construed according to the laws of the Commonwealth of Pennsylvania (excluding its conflict of laws principles); and not by the provisions of the 1980 United Nations Convention on the International Sale of Goods. Except as provided below and with respect to action by SELLER for equitable relief, the state courts of York County, Pennsylvania and the United States District Courts for the Middle District of Pennsylvania shall constitute the exclusive forums for the adjudication of any disputes or claims relating to Products sold. Purchaser consents to the exercise of jurisdiction over it by such courts. In the event Purchaser is located outside USA, SELLER may elect to bring legal action in the country in which Purchaser is located.
- 14) Assignment. Purchaser may not assign its rights or obligations hereunder without the prior written consent of SELLER.
- 15) Entire Agreement. These terms constitute the entire agreement with regard to the Products sold and supersede all prior oral or written statements. These terms may not be amended, modified, or supplemented except by written agreement executed by the parties. These terms are deemed to be severable and the invalidity of one provision shall not effect the enforceability of other provisions.