

## TERMS & CONDITIONS OF MANUFACTURE

*Unless otherwise expressly provided with respect to a particular sale, all sales are made in accordance with and subject to the following terms and conditions:*

- 1. PRICES.** All prices quoted by SVTronics, Inc. may be changed at any time without notice prior to start of work via re-quote. Written quotations expire automatically 15 days from the date issued and are subject to adjustment on account of specifications, quantities, shipment arrangements or other terms and conditions that are not part of the original price quotation. Prices are exclusive of all excise, sales, use and other taxes imposed by any federal, state, municipal or other governmental authority, all of which taxes shall be paid by the purchaser. The purchaser is responsible for obtaining and providing to us any certificate of exemption or similar document required to exempt any sale from sales, use or similar tax liability. All prices shall be as specified by us or, if no price has been specified, shall be our price in effect at the time of delivery.
- 2. TERMS OF PAYMENT.** Unless otherwise expressly stated in written quote, terms are net 30. We reserve the right at any time to require full or partial payment in advance, or to revoke any credit previously extended, if, in our judgment, the purchaser's financial condition does not warrant proceeding on the terms specified. Overdue payments shall be subject to finance charges computed at a periodic rate of 1 1/2% per month (18% per year). Amounts owed by the purchaser with respect to whom there is no dispute shall be paid without setoff for any amounts, which the purchaser may claim, are owed by us and regardless of any other controversies that may exist. Failure to keep your account current may, at our option, result in automatic C.O.D. status.
- 3. DELIVERY.** Unless otherwise specified, all sales are F.O.B. shipping point and the time of delivery shall be the time when the product is ready for pickup at SVTronics, Inc. by the purchaser or by a carrier for delivery to the purchaser. Delivery will be made via UPS GND (shipping charges will be prepaid and invoiced at time of shipment). With out in any way limiting the generality of paragraph 9, we shall not be liable for any loss or damage resulting from any delay in delivery or failure to deliver which is due to any cause beyond our control, including, without limitation, acts of nature, unavailability of supplies or sources or energy, riots, wars, fires, floods, epidemics, lockouts, strikes and slowdown, delays in delivery by our suppliers, or acts or omissions of the purchaser. Products on which delivery is delayed due to any cause within the purchaser's control may be placed in storage by us at the purchaser's risk and for its account. The purchaser shall be liable for all costs and expenses incurred by us in holding or storing products for the purchaser or at the purchaser's request.
- 4. TITLE AND RISK OF LOSS.** Subject to paragraph 5 and to our right to stop delivery of products in transit, title to and risk of loss for products shall pass to the purchaser upon the earlier of delivery to the purchaser or to a carrier for shipment to the purchaser.
- 5. SECURITY INTEREST.** We reserve and the purchaser grants to us a security interest in all products sold and all proceedings to secure the full payment and performance by the purchaser of its liabilities and obligations to us. The purchaser agrees to execute and deliver such documents as we may request in order to protect our security interest.
- 6. CANCELLATIONS AND RETURNS.** Orders, which have been accepted, may be canceled only with our prior written consent and upon terms that will fully indemnify us against loss. Products are not in any event to be returned to us without our prior written authorization via our RMA procedure by contacting the Quality Manager at 214-440-1234.
- 7. INSTALLATION.** Unless otherwise specified, we assume no obligation to install any products procured or to place them in working order at the purchaser's premises or any other location.
- 8. SPECIFICATIONS.** All products are subject to our quality standards as per IPC-A-610B Class II Workmanship Standard.
- 9. CLAIMS.** SVTronics warranty obligations for this hardware product are limited to the terms set forth below: SVTronics warrants this hardware product against defects in materials for (90) days and workmanship under normal use for a period of ONE (1) YEAR from date of purchase by the original end-user purchaser ("Warranty Period"). If a hardware defect arises and a valid claim is received within the Warranty Period, at its option and to the extent permitted by law, SVTronics will either (1) repair the hardware defect at no charge, using new or equivalent to new in performance and reliability, (2) exchange the product with a product that is new or equivalent to new in performance and reliability and is at least functionally equivalent to the original product. SVTronics may request that you replace defective parts with new or refurbished user-installable parts that SVTronics provides in fulfillment of its warranty obligation. A replacement product or part, including a user-installable part that has been installed in accordance with instructions provided by SVTronics, assumes the remaining warranty of the original product or (90) days from the date of replacement or repair, whichever provides longer coverage for you.

This warranty does not apply: (a) to consumable parts, such as batteries, unless damage has occurred due to a defect in materials or workmanship; (b) to cosmetic damage, including but not limited to scratches, dents, by accident, abuse, misuse, flood, fire, earthquake or other external causes; (e) to damage caused by operating the product outside the permitted or intended uses described by SVTronics; (f) to damage caused by service (including upgrades and expansions) performed by anyone who is not a representative of SVTronics or Authorized Service Provider; (g) to a product or part that has been modified to alter functionality or capability without written permission of SVTronics; or (h) if any SVTronics serial number has been removed or defaced.

**THE FOREGOING CONSTITUTES OUR SOLE LIABILITY AND THE PURCHASER'S SOLE REMEDY WITH RESPECT TO PRODUCTS PRODUCED BY US. EXCEPT AS THUS PROVIDED, WE DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

**10. INDEMNIFICATION.** Vendor agrees to indemnify, defend and hold the customer, its officers, directors, agents, employees and other related parties harmless from and against any and all liabilities, damages, losses, expenses, claims, demands, suits, fines, or judgments that include reasonable attorneys' fees, costs and expenses, incidental thereto, which may be suffered by, accrued against, charges to or recoverable from any customer indemnitee, by reason of any claim arising out of or relating to any act or error or omission, or misconduct of vendor, its officers, directors, agents, employees or subcontractors.

**11. PATENTS.** We assume no obligation or liability of any kind with respect to infringements or alleged infringements of United States or foreign patents, copyrights, trademarks or other proprietary rights arising out of the purchaser's purchase, use, possession, sale or delivery of any products produced hereunder. The purchaser shall indemnify and hold us harmless from any and all claims, liabilities, damages, or expenses resulting from infringements or alleged infringements of United States or foreign patents, copyrights, trademarks or other proprietary rights arising from compliance by us with any designs or specifications provided by the purchaser.

**12. LIFE SUPPORT APPLICATIONS.** Some products manufactured by us are produced for use in life support appliances, devices or systems where malfunctions of such products can reasonably be expected to result in a personal injury. The purchaser using products manufactured by us in life support applications does so at its own risk and agrees to fully indemnify us for any damages resulting.

**13. SPECIAL RESTRICTION APPLICABLE TO SERVICES.** All products are sold subject to, in addition to the terms and conditions contained herein and in lieu of Section 11 above, SVTronics, Inc. Life Support Policy, which is as follows: SVTronics products produced are not authorized for use as critical components in life support devices or systems without the express written approval of the President of SVTronics Inc. As used herein

(1) Life support devices or systems are devices or systems which a) are intended for surgical implant into the body, or b) support or sustain life and whose failure to perform when properly used in accordance with instructions for use provided in the labeling can be reasonably expected to result in significant injury to the user.

(2) A critical component is any component in a life support device or system whose failure to perform can be reasonably expected to cause the failure of the life support device or system or to affect its safety or effectiveness.

**14. ADDITIONAL OR INCONSISTENT TERMS.** Terms and conditions set forth in any document provided by the purchaser which differ from conflict with or are not included in the terms and conditions set forth in this document shall not become a part of any agreement between us and the purchaser unless such terms and conditions are specifically accepted by us in writing.