

## **Sensor Electronic Technology, Inc.: Terms and Conditions of Sale**

### **I. GOVERNING PROVISIONS**

These Terms and Conditions of Sale ("Ts&Cs") govern all quotations made and purchase orders or releases (hereinafter "purchase orders") accepted by Sensor Electronic Technology, Inc. ("Seller"). Acceptance of Buyer's purchase order is made only on the express understanding and condition that, insofar as these Ts&Cs conflict with any Ts&Cs on a purchase order, these Ts&Cs, and no others, control and govern. Any terms and conditions different from, in conflict with, or in addition to, these Ts&Cs must be accepted in writing by Seller in order to bind Seller.

### **II. PRICES**

Subject expressly to the language of this Section II, Seller's written quotations shall be valid for 30 days from the quotation's date. Seller's quotations, and all terms and conditions therein including, but not limited to, prices, do not constitute an offer to sell, are non-binding, and are expressly subject to Seller's changes as and until all product design, specification, instruction, and application-related issues are finalized between Seller and Buyer. Seller shall not be legally obligated to sell products to Buyer until Seller accepts Buyer's purchase order for the products. Prices for non-quoted products or contained on expired quotations shall be subject to Seller's changes at any time. Prices quoted for products do not include transportation, insurance or any applicable federal, state or local taxes, all of which shall be paid by Buyer. Buyer shall be invoiced for applicable taxes unless Buyer furnishes a valid resale or tax exemption certificate.

### **III. PAYMENT**

Unless otherwise stated in Seller's quotation, payment terms are Net 30 days from the invoice date (on approved credit). Seller may, at any time without notice, change or suspend credit terms, stop shipment, or cancel unfilled purchase orders when, in Seller's sole discretion, the financial condition of Buyer or its account so warrant, or when delivery is delayed through any fault of Buyer, or when Buyer is delinquent on any payment for invoiced products. Invoices not paid shall be subject to a service charge of 1½ % per month on the past due amount. Without limiting the above provisions, in the event Buyer does not pay all amounts (including service charges) due and owing within allowed payment terms, Seller may withhold further shipments until full payment is received. Shipment holds shall not constitute Seller's breach and Seller, in its sole discretion, may continue to perform in accordance with Buyer's purchase order.

### **IV. SHIPMENTS/RISK OF LOSS/DELIVERY**

Unless otherwise stated in Seller's quotation, all shipments will be F.O.B. point of shipment. All risks of loss and damage shall pass to Buyer upon shipment. Shipment and delivery dates are estimates only, are

not guaranteed, and are determined from the date Buyer's purchase order is received. Seller's failure to ship or deliver as scheduled shall not entitle Buyer to cancel a purchase order or to damages of any kind whatsoever. Buyer's acceptance of all or part of a shipment shall constitute Buyer's waiver of all claims for delayed shipment.

In the event that, pursuant to a valid, accepted purchase order, Seller has commenced manufacture and established a shipment schedule and Buyer requests a delayed shipment(s), Seller shall charge Buyer an inventory holding charge equal to 2% of the value of the held inventory per month of delay. Seller shall invoice Buyer for the charge and the charge shall be paid in accordance with Section III hereof.

### **V. CANCELLATION**

Buyer shall have no right to cancel a purchase order without first obtaining Seller's prior written consent, which shall be given in Seller's sole discretion. Cancellation charges for special, Custom or standard products shall be 100% of all of Seller's costs at the time of cancellation, plus profit equal to 20% of the selling price of such products.

### **VI. ACCEPTANCE**

All shipments falling within the acceptance level set forth by Seller's specifications shall be accepted by Buyer as a lot and, once accepted, nonconforming items within the lot shall not be returnable for replacement or credit. Except as otherwise provided in these Ts&Cs, in the event a shipment does not conform to the required acceptance level, the shipment may be returned to Seller upon obtaining Seller's prior written verification and approval. Nonconforming products returned to Seller shall be separately packaged and marked to clearly identify the shipment. Shipment charges shall be prepaid and reimbursed by Seller to Buyer in the event Seller determines the products to be defective. In the event Seller determines that returned products are not defective, shipping charges shall be Buyer's responsibility. In no event shall Seller be responsible for packing, inspection, labor or other charges in connection with products returned for inspection. Buyer's failure to return products as provided herein and elsewhere in these Ts&Cs within 30 days of Buyer's receipt of Seller's approval for such return shall terminate Seller's obligations with respect to any such nonconforming products.

### **VII. LIMITED WARRANTY**

Seller warrants that its products furnished under these Ts&Cs will conform with Seller's published specifications for such products as in effect on the date of shipment (within deviations specified therein) for a period of ninety (90) days from such date. Seller's sole obligation and Buyer's sole remedy under this warranty is limited to repair or replacement of

items determined by Seller to be defective or, at Seller's sole option, refund of the purchase price paid to Seller for such items. Seller shall have no liability under this warranty unless Seller is notified in writing promptly upon Buyer's discovery of the defect and the defective items are returned to Seller, freight prepaid, and received by Seller not later than ten (10) days after expiration of the warranty period. This warranty shall not apply to any defect(s) or failure to perform resulting from misapplication, improper installation, improper operation, abuse or contamination, whether internal or external.

EXCEPT AS SET FORTH ABOVE, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, OF ANY NATURE WHATSOEVER AND INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

#### VIII. LIMITATION OF LIABILITY

IN NO EVENT SHALL SELLER BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER, WHETHER IN CONTRACT, TORT OR OTHERWISE, EVEN IF SELLER IS OR SHOULD BE AWARE OF THE POSSIBILITY THEREOF.

#### IX. PATENTS

Buyer shall indemnify, defend and hold harmless Seller from and against any expenses, costs or losses resulting from alleged or actual infringement of any intellectual property rights arising from Seller's compliance with Buyer's designs, specifications or instructions. Seller gives no warranty of noninfringement with respect to the products.

#### X. FORCE MAJEURE

Seller will make a reasonable effort to observe the dates specified herein or such later dates as may be agreed to by Buyer for delivery or other performance. Seller shall not be liable for any delay in performance or inability to perform occasioned by any causes beyond its control or beyond the control of its suppliers, manufacturers, processors, or finishers including, but without limiting the generality of the foregoing, fires, strikes, lockouts, labor difficulties, earthquakes, typhoons, embargoes, floods, delays by carriers, orders, rules or regulations of any foreign and/or domestic governmental authorities, trade associations or any other agency having control over import or export, voluntary quotas, restrictions, controls, unavailability or shortage or delay of any transportation. Intervention of any such cause or causes shall give Seller the right, without liability to Buyer of any kind, to terminate these Ts&Cs with respect to all or any portion of the products affected thereby or, upon removal of the cause, to resume deliveries in such proportions as Seller may determine, until the entire quantity purchased hereunder has been delivered.

#### XI. ASSIGNMENT AND SUBCONTRACTING

Seller expressly reserves the right to assign or subcontract all or any portion of a purchase order without Buyer's consent. Buyer shall not assign or transfer any rights or claim under these Ts&Cs without the prior written consent of Seller, and any purported assignment made without such consent shall be void. These Ts&Cs shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties.

#### XII. ARBITRATION

Any dispute arising pursuant to these Ts&Cs shall be settled by arbitration. The arbitration shall be conducted before 1 neutral arbitrator in Columbia, South Carolina in accordance with the commercial arbitration rules of the American Arbitration Association. Each party shall pay its own expenses associated with the arbitration, including 50% of the expenses of the arbitrator. The judgment of the arbitrator shall be binding and entered in any court having jurisdiction thereof.

#### XIII. EXPORT CONTROL

Buyer shall comply fully with all export administration and control laws and regulations of the U.S. government as may be applicable to the export, resale or other disposition of any products purchased from Seller.

#### XIV. GENERAL

These Ts&Cs are governed by the laws of the State of South Carolina, USA. These Ts&Cs is the complete and exclusive statement of the agreement between the parties and supersedes all proposals, oral or written, and all other communications between the parties relating to the subject matter of these Ts&Cs. Any terms and conditions of any purchase order or other instrument issued by Buyer in connection with these Ts&Cs, which are in addition to, and consistent with or different from the terms and conditions of these Ts&Cs shall be of no force or effect. These Ts&Cs shall be binding on and inure to the benefit of the parties' successors and permitted assigns. These Ts&Cs may be modified only by a written instrument duly executed by authorized representatives of Seller and Buyer. If any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of these Ts&Cs, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs. Any waiver by either party of any condition, part, term or provision of these Ts&Cs shall not be construed as a waiver of any other condition, part, term or provision or a waiver of any future event or circumstance. If any provision of these Ts&Cs is held invalid or unenforceable, the remainder of the Ts&Cs shall continue in full force and effect.

The section headings contained herein are for convenience of reference only and are not to be used in the construction or interpretation of these Ts&Cs.