

## **AIPC TERMS OF SALE**

**ACCEPTANCE:** Seller's acknowledgment of Buyer's order or commencement of any performance pursuant to such order shall constitute Buyer's acceptance of Seller's terms and conditions. The prices set forth in this document and Buyer's orders are expressly conditioned upon the exclusive applicability of Seller's terms and conditions. No terms or conditions stated by Buyer shall be binding on Seller unless such terms or conditions are expressly accepted in writing by a duly authorized representative of Seller. Failure of Seller to specifically object to any or all terms and conditions suggested by Buyer shall not be deemed an acceptance of terms and conditions that are in conflict with, inconsistent with or in addition to the terms and conditions of this document. Buyer, upon acknowledgment of Seller's quotation, or upon Seller's commencement of performance pursuant to Buyer's order, shall be deemed to have withdrawn any such terms and conditions that conflict with, are inconsistent with or are in addition to the terms and conditions set forth in this document. **THE TERMS AND CONDITIONS IN THIS DOCUMENT SUPERSEDE ALL PRIOR ORAL OR WRITTEN QUOTATIONS, PROPOSALS AND COMMUNICATIONS BETWEEN THE BUYER AND SELLER RELATED TO THE PRODUCTS AND SERVICES IDENTIFIED HEREIN.**

**QUANTITIES:** Unless Seller otherwise specifically agrees in writing, Seller reserves the right to over or under ship the quantities shown on the face hereof by 5%.

**PRICES:** Unless Seller's Quotation states otherwise, prices are subject to change without notice at any time until Buyer acknowledges acceptance of Seller's terms and conditions in this document or Seller commences performance hereunder. Prices are Ex Works Seller's plant and, unless Seller otherwise specifically agrees in writing, do not include any costs for transportation, special handling or packaging, additional quality assurance inspection or testing, drawings or data, or any other customer requirements beyond Seller's normal commercial practice. If seller prepays the transportation charges, purchaser will be obligated to reimburse seller upon receipt of invoice for the prepaid transportation charges. Unless Seller's Quotation states otherwise, Seller's prices do not include sums necessary to cover any taxes or duties including, but not limited to, Federal, State, Municipal excise, sales or use taxes, letter of credit costs and fees and export or import duties upon the production, sale, distribution, or delivery of products or the furnishing of services hereunder. Buyer shall pay when due such taxes, fees, costs, duties and expenses. Seller reserves the right to revise its Quotation at any time, including after commencement of performance hereunder to include any and all taxes, fees, costs or duties that are payable to Buyer hereunder and reserves the right to invoice Buyer such additional amounts. This clause shall survive the acceptance and complete performance of Buyer's order.

**PAYMENT:** All product and services will be invoiced at time of shipment according to the following schedule:

- a) Unless otherwise specified herein, terms of payment are NET 30 days from the date of shipment of the products or performance of services. Where a discount is available, payment must be received within the specified timeframe to earn that discount.

- b) Late payment charges of 2% per month or the maximum contractual rate permitted by law, whichever is less, will be assessed on all unpaid or paid due invoices, plus all applicable inventory, carrying and storage charges.
- c) Pro rata payments are due from Buyer as shipments are made by Seller. If shipments are delayed by Buyer and such delay is acceptable to Seller, Buyer shall be invoiced reasonable storage charges for any such delay. Payments and associated charges shall become due from the date Seller is prepared to make shipment.
- d) In the event Buyer has overdue invoices, Seller reserves the right to cancel any order without obligation or to delay delivery of goods until such time as delinquent invoices are paid in full with appropriate late payment charges. In the event Seller deems it appropriate to refer Buyer's overdue account to outside parties for collection, Buyer shall pay all Seller costs of collection, including without limitation court costs and reasonable attorney's fees. Notwithstanding anything to the contrary, Seller further reserves the right to deliver shipments on a C.O.D. or cash-in-advance basis.
- e) All sums owed hereunder shall be due and payable under the terms hereof. Buyer shall not offset said sums against other sums, whether liquidated or not, that are or may be due Buyer, which arise out of a different transaction with Seller, its parent company, or its divisions, subsidiaries or affiliates.
- f) Nothing herein shall waive any other rights and remedies of Seller permitted by law or equity and all rights and remedies set forth herein shall be considered cumulative to all other available rights and remedies.

**INSOLVENCY:** Seller may cancel the whole or any part of an order in the event of the suspension of Buyer's business. Insolvency of Buyer, the institution, by Buyer or others of bankruptcy, reorganization, arrangement of liquidation proceedings involving or affecting Buyer, or any assignment for the benefit of creditors of Buyer or receivership that Buyer places itself in or may be placed in. Such cancellation shall be deemed a cancellation for default of Buyer.

**AUDITS:** Buyer shall not have the right to audit or examine Seller's financial records pertaining to the products sold hereunder.

**DELIVERY:** Unless otherwise specified herein, delivery shall be made Ex Works Seller's plant and within normal lead times applicable to the products ordered. Title and risk of loss shall pass to Buyer at the time and place of shipment from seller's dock. Premium mode of shipment will not be used unless specifically directed in writing by Buyer and then only at Buyer's expense.

**MATERIAL SHORTAGES AND ALLOCATIONS:** In the event Seller is unable to obtain in a timely manner material sufficient to fulfill all of its orders on hand, Seller shall have the right as a result of said material shortages to equitably allocate lesser quantities of the products to be delivered to all buyers on a proportionate basis. The contract price shall be equitably adjusted, taking into

consideration, among other things, the reduced quantity of items to be delivered and the increased production costs, if any, to Seller as a result of manufacturing lesser quantities than anticipated.

**CHANGES:** Buyer may, at any time, in writing, request changes within the general scope of this document in the drawings, designs, specifications, shipping or packing instructions or place of delivery. If any such changes cause an increase in the cost of, or the time required for, performance of Buyer's order affected by such changes, Seller shall make an equitable adjustment in the price, the delivery schedule or both accordingly.

**TERMINATION AND RETURNS:** For products fabricated to individual customer requirements, drawings, specifications, and/or designs, Seller reserves the right to fabricate the entire quantity ordered in one production run. In the event of cancellation in whole or in part of an order, any components, subassemblies, and/or finished assemblies on hand in quantities equivalent to the full production run for the entire quantity ordered, plus normal overrun, shall be considered as part of the applicable cancellation charges.

Buyer may cancel this order only by payment of Seller's cancellation charges which shall take into account expense already incurred, overhead, lost profit and commitment made by the Seller. Permission must be obtained from Seller before any product or material can be returned, and shipments must bear a Return Material Authorization number provided by the Seller or the returned items will not be accepted. Products Manufactured to Buyer's specifications or special requirements are not subject to return.

**EXPERIMENTAL PRODUCTS:** If Seller delivers products identified as "prototypes", "samples for engineering approval", "on consignment", "for evaluation", or terms of similar meanings, Buyer agrees that such products are confidential and experimental in nature, that Buyer will limit their availability only to those of its employees as are necessary to carry out the testing and evaluation contemplated by the parties and no others, and that all information concerning such product shall remain the proprietary property of Seller and shall not be disclosed to any third party. It is anticipated that changes may be made in the manufacture of such products, therefore, Buyer shall communicate to Seller the data accumulated during the testing and evaluation of the products.

**TEST EQUIPMENT AND TOOLING:** Unless Seller otherwise specifically agrees in writing, all test equipment and tooling required to produce the products covered herein are to remain the property of Seller.

**QUALITY CONTROL PROCEDURES:** Seller's customary control procedures in force at the time products are manufactured or services are rendered, respectively, shall apply to products and services covered by this document unless Seller otherwise specifically agrees in writing.

**DOCUMENTATION:** Qualification tests may be performed by Seller and test data supplied at the specific request and expense of Buyer. Documentation including, but not limited to, drawings, data, engineering sketches, specifications, procedures, manufacturing, assembly, and test records. If furnished by Seller to Buyer without additional charge, shall remain Seller's property, shall be kept confidential by Buyer, shall not be reproduced, and shall be returned to Seller upon request unless Seller otherwise specifically agrees in writing.

**WARRANTY:** a) Seller warrants that each new product sold hereunder will conform to Seller's specifications or drawings, or will conform to specifications agreed upon in writing by both parties. Seller's sole obligation and liability under this warranty is limited to the repair or replacement at its factory, at Seller's option, of any such product which proves to be noncompliant with specifications within ninety (90) days after the date of delivery to the first end user which delivery must be made within six (6) months after delivery to Buyer, and is confirmed to be noncompliant by Seller's inspection.

Buyer shall inspect and accept any products delivered, immediately after Buyer takes custody of such products. In the event the products do not meet the specifications or drawings, Buyer shall notify Seller in writing of such non-compliance and give Seller a reasonable opportunity to correct the noncompliance. Seller shall not be obligated or liable under this warranty for apparent defects or defects which examination discloses are due to tampering, misuse, neglect, improper storage or handling, normal wear and all cases where the products are disassembled by other than authorized Seller representatives. In addition, Seller shall not be obligated or liable under this warranty unless written notice of noncompliance shall be given to Seller within thirty (30) days from the date such defects are first discovered.

Products for warranty consideration shall be returned with all transportation charges prepaid to Seller in shipping containers which are adequate to prevent loss or damage in shipment. Products repaired or replaced under this warranty are warranted for the unexpired portion of the original warranty, or an additional six months, whichever is longer.

Products returned to Seller for repair under this warranty remain the property of Buyer and, unless agreed to by Seller, Buyer will not debit Seller for the product value.

**b) SELLER DISCLAIMS ANY LIABILITY, WHETHER UNDER THIS WARRANTY OR OTHERWISE, ARISING FROM ANY FAILURE OF ITS PRODUCTS WHICH IS CAUSED BY, IN WHOLE OR IN PART, THE USE IN OR WITH PRODUCTS OR COMPONENT PARTS NOT MANUFACTURED BY SELLER, OR BY AN ALLEGED DEFECT RELATED TO DESIGN, LABELING OR MANUFACTURING SPECIFICATIONS SUPPLIED BY BUYER.**

**c) THE TERMS OF THE APPLICABLE WARRANTY OR WARRANTIES, AS THE CASE MAY BE, AS SET FORTH ABOVE, ARE THE SOLE AND EXCLUSIVE WARRANTY TERMS THAT SHALL HAVE ANY FORCE AND EFFECT IN THIS TRANSACTION, AND SUCH TERMS ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREWITH EXPRESSLY EXCLUDED.**

**d) SELLER'S LIABILITY FOR ALL CLAIMS, WHETHER BASED ON BREACH OF CONTRACT, NEGLIGENT, PRODUCT LIABILITY, OR OTHERWISE, RELATING TO THE PRODUCTS SHALL NOT EXCEED THE PRICE PAID BY BUYER FOR SUCH DEFECTIVE PRODUCT. IN NO EVENT WILL SELLER BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF USE, LOSS OF PROFIT AND CLAIMS OF THEIR PARTIES), HOWEVER CAUSED, WHETHER BY THE NEGLIGENCE OF SELLER OR OTHERWISE.**

**e) BUYERS ARE SOLELY RESPONSIBLE FOR CONFIRMING THAT ALL PRODUCTS PURCHASED UNDER THIS AGREEMENT ARE INSTALLED AND USED IN ACCORDANCE WITH ALL APPLICABLE CODES AND REGULATIONS.**

**PATENT, TRADEMARK AND COPYRIGHT INDEMNITY:** Seller shall indemnify Buyer, Buyer's customer and any end user from any and all damages and costs finally awarded for infringement of any existing patent, trademark or copyright in any suit by reason of the sale of any products sold to Buyer hereunder where Seller is an infringer with respect to its sale hereunder provided that Seller is promptly notified in writing of any such suit and Buyer offers Seller full and exclusive control of the defense of such suit when products of Seller only are involved therein and the right to participate in the defense of such suit when products other than those of Seller are also involved, and Buyer fully cooperates with Seller in such defense. This indemnity shall not, however, extend to infringement or claims thereof resulting from Seller's compliance with Buyer's designs, processes, formulas, or approvals, use of the products in a manner to have them become infringing or use of the products alone or in combination with other equipment where the use is the subject of the claim. Seller's liability for damages hereunder is limited to those computed solely on the value of any product sold to Buyer hereunder. In no event shall Seller be liable for special, incidental or consequential damages or costs applicable thereto. The above indemnity is in lieu of any other indemnity or warranty, express or implied, with respect to patents, trademarks or copyrights and shall in no event exceed the price paid by Buyer for such products.

**CLAIMS:** All claims (other than claims under the Warranty and Patent sections hereof) must be received by Seller within fifteen (15) days after receipt of goods. Seller is not responsible for incidental, special, punitive or consequential damages. No setoff is allowed.

**WAIVER:** Failure by Seller to insist upon strict performance of any provision hereof by Buyer shall not be deemed to be a waiver by Seller of its rights or remedies available to it at law or equity and Seller shall not be required to proceed with performance of an order if Buyer is in default to Seller under it or any other order.

**FORCE MAJEURE:** Seller shall not be liable for delays in or failure of performance hereunder due to causes beyond its reasonable control, including, but not limited to, acts of God or public enemy, acts of government in either its sovereign or contractual capacity, acts of Buyer, fire, flood, earthquake or other natural disaster, strike or other labor disputes, acts of war, sabotage, insurrection rebellion, or

other acts of civil disobedience, failure of subcontractor to supply material, failure to delay in transportation, or equipment breakdown, nor shall Seller be liable for any reasonable delay in production or delivery. In the event of delay due to such causes, the date of delivery shall be extended for a period equal to the time lost by reason of the delay.

**COMPLIANCE WITH LAWS:** Seller represents that with respect to production of the products and performance of the services herein it has complied with applicable governmental statutes, rules, requisitions and orders including those pertaining to labor, wages, hours and other conditions of hiring and employment.

**EXPORT SALES:** Buyer agrees that it will not export or re-export directly or indirectly any of the products sold hereunder to any destination or to any person where such export or re-export is prohibited under law or regulation, or export or re-export such products without appropriate license(s) required by applicable law or regulation.

**GOVERNMENT SALES:** If the products herein are to be used in fulfilling a contract with the government, Seller will comply with requirements of such contract which are mandatory under the procurement statutes and which are applicable to Seller, provided that Seller has received written notice of such requirements from Buyer in sufficient time to incorporate their impact into the price and delivery schedule for such products. All Technical Data and Intellectual Property Rights shall remain the sole property of Seller. Seller's books and records may only be inspected by a representative of the government.

**GOVERNING LAWS:** This Agreement is governed by the law of the State of Connecticut, United States without regard to conflict of law principles or any other principles that would result in the application of a different body of law. Venue for any legal action in connection to this Agreement shall be the state and federal courts located in New Haven, Connecticut, United States and each party hereby irrevocably consents to the jurisdiction of such courts.

**SEVERABILITY:** If any provision of this document is in violation of any governmental statute or regulations, or is illegal for any reason, said provision shall be self deleting without affecting the validity of the remaining provisions.