

STANDARD CONDITIONS OF SALE

1. **ACCEPTANCE AND CONTRACT FORMATION** - These Standard Conditions of Sale form an essential part of Seller's offer of sale of the goods and services, and may only be accepted by the Buyer exactly as described below. Seller rejects the incorporation of any of Buyer's proposed terms and conditions of sale into any contract between Buyer and Seller for sale of goods and services. No conditions, usage of trade, course of dealing or performance, understanding or agreement (including, without limitation, any acceptance document required by Buyer) purporting to modify, vary, explain or supplement the terms or conditions below shall be binding on Seller unless negotiated in writing and signed by Seller.

2. **DELIVERY** - Shipment dates offered are estimates and represent the date goods may be available EXW seller's facility rather than date of delivery to Buyer's destination. Shipment dates offered will commence only after receipt of Buyer's purchase order, clarification of required technical information, resolution of engineering and/or commercial issues or receipt of Buyer's written acceptance of drawings, when required. Any delay resulting from any such cause shall extend shipping dates correspondingly and may result in an increase in the price of the goods. Receipt by Buyer shall constitute waiver of any claims due to delay.

3. **TITLE** - Title and full risk of loss (including transportation delays and losses) shall pass to Buyer upon delivery of goods EXW, Seller's manufacturing facility in accordance with the latest INCOTERMS. Goods shall be accepted by Buyer prior to shipment, after inspection and/or testing, as applicable. Should the goods be damaged prior to delivery, Seller shall be entitled to claim for any such damage against any applicable all-risk builder's risk policies.

4. **TAXES** - Any sales, use or other similar taxes imposed on the sale or other transaction covered by this agreement as well as import or export duties, and customs or similar fees are not included in the price. Such taxes, duties, and fees are the responsibility of Buyer and shall be billed separately.

5. **PAYMENTS** - Unless agreed otherwise in writing, the terms of payment are net 30 days from date of invoice and are payable in U.S. currency. Pro rata payments shall be made for partial shipments. Interest on unpaid invoices will accrue at 1.5% per month, or the legal maximum amount allowed to be charged. If delivery is prevented or performance of work is postponed at Buyer's request, then all dates of payment related to delivery shall relate instead to the date of completion of manufacture or services. When, in the opinion of Seller, the financial condition of the Buyer renders it appropriate, Seller may require cash payment or satisfactory security before each shipment.

6. **SALES FOR EXPORT** - Buyer warrants that it shall comply with all applicable laws, rules and regulations, and will do nothing that will cause Seller to be in violation of any law, guidelines or regulation of the United States of America or any other country. Buyer warrants that it will not export, re-export or transship any goods or technical information of U.S. origin or with U.S. origin content except in full compliance with all relevant U.S. government requirements.

7. **WARRANTY** - Seller warrants that its manufactured goods and services will be free from defects in materials and workmanship. Any Warranty claim must be made in any event, within the earlier of 12 months from date of initial operation or 18 months from shipment. Upon Buyer's submission of a claim as provided above and substantiation thereof, Seller shall, at its option (i) either repair or replace its nonconforming goods, or re-perform the services or (ii) refund an equitable portion of the purchase price attributable to such non-conforming goods. Seller shall not be liable for the cost of removal or reinstallation of materials or any unauthorized warranty work, nor shall Seller be responsible for any transportation cost, unless expressly authorized in writing by Seller. Any spare parts provided by Seller hereunder shall be warranted for the same time period and on the same basis as described above. Seller makes no representation regarding the stocking by Seller of spare parts for the goods.

Repair or replacement of goods or refund of an equitable portion of the purchase price shall be Seller's only obligation and the sole and exclusive remedy of Buyer in the event of a failure to conform to the foregoing warranty. **The foregoing warranty is exclusive and in lieu of all other warranties (except that of title), express or implied, including, but not limited to the implied warranties of merchantability or fitness for a particular purpose.**

8. **PATENTS[OPTION/SOFTWARE]** - Seller agrees to indemnify Buyer against, and assume the defense of, any suit for infringement of any United States patent brought against Buyer by a non-affiliated third party to the extent such suit (i) charges infringement of an apparatus or product claim by Seller's goods in and of themselves, provided that said goods are built entirely to Seller's design and (ii) charges infringement of a process or method claim if such infringement results from the normal use of Seller's

goods and is the direct result of Buyer following specific instructions regarding such use furnished by Seller; provided that (a) Buyer notifies Seller in writing of the filing of such suit within ten (10) days after the service of process thereof and (b) Seller is given complete control of the defense of such suit, including the right to defend, settle and make changes in the product for the purpose of avoiding infringement.

[If the goods sold incorporate software or firmware containing software, Buyer is granted a non exclusive, non transferable license to use the software in connection with the normal and intended operation of the goods. Buyer acquires no right or title to the software and will not copy, modify, reverse engineer or compile, disassemble or disclose to any third party all or part of the software.]

9. **APPLICABLE LAW** - The validity, performance and construction of any agreement between Buyer and Seller shall be governed by the laws of the state of Pennsylvania excluding its conflict of laws provisions. The United Nations convention on sale of goods (C.I.S.G.) is specifically excluded.

10. **LIMITATION OF LIABILITY** - **In no event shall Seller be liable for special, incidental, indirect or consequential damages whether for breach of Agreement, breach of warranty, tort or otherwise. The Seller's liability on all other claims for loss or liability arising out of or connected with this Agreement, or the manufacture, sale, delivery, resale, or use of any parts or equipment covered by this Agreement shall in no case exceed the price of the services or the unit price of such equipment or part hereof involved in the claim. Any release, limitation of liability or other exculpatory language contained herein shall apply regardless of the fault, negligence, or strict liability of the Seller.**

11. **AUDIT, INSPECTIONS AND EXPEDITING** - No audit, inspection or expediting of any of Seller's operations or facilities shall be allowed under this Agreement unless otherwise agreed to in writing.

12. **CHANGES** - Buyer shall have the right to make changes to Seller's scope of supply, subject to Buyer's payment of additional costs resulting from such changes, including Seller's overhead and profit, and extension of Seller's time of performance if it is impacted by Buyer's request for a change. Any change must be reduced to a written amendment to this Agreement prior to implementation by Seller. Seller shall provide information to Buyer as soon as reasonably practical following Buyer's request for change regarding the nature of Seller's increased cost or time of performance. In no event shall Seller waive any claim for additional cost or time of performance due to delay in supplying information to Buyer.

13. **TERMINATION** - Seller may declare Buyer in default and terminate this Agreement in the event Buyer fails to make any payment to Seller when due or otherwise commits a material breach of this Agreement. Buyer may terminate this Agreement at any time, for any reason. Upon any such termination, Buyer shall pay Seller a termination payment compensating Seller for all costs incurred to the date of termination, plus overhead and profit. Applicable provisions of this Agreement, including but not limited to Articles 7 and 10, shall survive any termination of this Agreement. Buyer may suspend Seller's performance of the work for an aggregate period of up to 90 days, provided that Buyer shall pay to Seller all costs associated with any such suspension. If a suspension of work persists for longer than an aggregate of 90 days, Seller may terminate this Agreement as described above.

14. **EXCUSABLE DELAYS** - Seller shall not be liable for any loss or damage for delay or non-delivery due to the acts of civil or military authority, labor difficulties, delays of vendors or carriers, fires, governmental actions and material shortages, acts of Buyer or by reason of any Force Majeure, which shall be deemed to mean all other causes whatsoever not reasonably within the control of Seller. Any delay resulting from any such cause shall extend shipping dates correspondingly and may result in an increase in the price of the goods.

16. **MISCELLANEOUS** To the extent that Seller has relied upon specifications, information, representation of operating conditions or other information provided by Buyer in the selection or design of the goods, Buyer is liable for any delays or increased costs resulting from differing conditions. This Agreement constitutes the full understanding of the parties and a complete allocation of risks between them. No waiver by either Seller or Buyer with respect to any breach or default or of any right or remedy and no course of dealing, shall be deemed to constitute a continuing waiver of any other breach or default or of any other right or remedy, unless such waiver be expressed in writing signed by the party to be bound. If any part of this Agreement shall be held invalid, the remaining parts shall remain in full force and effect as though such invalid part had not been contained herein.