



TERMS AND CONDITIONS OF SALE
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We cannot accept your Order in its present form. The sale of material and/or services by AB Electronics Inc ("Seller") will be made solely under the terms and conditions set forth herein. No other terms or conditions, whether contradictory or in addition to those set forth herein, and whether dated before or after the date hereof, shall be applicable or enforceable against AB Electronics Inc., unless such other later dated terms and conditions are in writing and signed by a duly authorized representative of AB Electronics Inc.

1. **SHIPMENT, TITLE AND RISK OF LOSS:** All sales are made F.O.B. seller's factory. Title to goods sold hereunder shall pass from Seller to Buyer upon loading on common carrier, Buyer's vehicle, or upon delivery by our vehicles.
2. **PATENTS:** All work done by Seller is done in accordance with Buyer's design and specification and Seller shall have no liability for any claims of patent or other intellectual property infringement claims, and Buyer shall indemnify Seller with respect to any such claims. Buyer represents and warrants to Seller that the specifications, drawings and other information provided by Buyer to Seller for use in connection with this agreement are the sole and exclusive property of Buyer and that Buyer has full legal right to provide such information to Seller for use by Seller in connection herewith.
3. **PAYMENT:** All invoices are due thirty (30) days from date of invoice. Unless otherwise specified, prices do not include applicable taxes, excises, duties, quotation fees or other governmental impositions that Seller may be required to pay or collect under any existing or future law, and any such additional charge shall be paid by and/or for the account of, and reimbursed by, Buyer. Interest at the rate of twelve (12%) percent per year will accrue on all balances older than thirty (30) days. A returned check fee of \$50.00 will be added to Buyer's invoice if Buyer's check is not honored.
4. **LAW:** This agreement shall be governed by, subject to and construed according to the laws of the State of Connecticut. Venue for any proceeding related to a claim herein shall be exclusively in the courts of Danbury, Connecticut.
5. **PURCHASE ORDER CANCELLATION / FORECAST CANCELLATION / TERMINATION / END OF LIFE PRODUCT:** Buyer may cancel an order/forecast or defer delivery only upon the prior written consent of Seller and only upon the condition that the Buyer assumes immediate liability and makes payment as requested to Seller for all work completed at the unit price. Upon notice of cancellation, Seller will provide Buyer documented cancellation charges related to accepted Orders/Forecasts. Buyer agrees to provide Seller a purchase order for the cancellation costs and/or purchase order for build out quantities to reduce raw material buy back within fifteen (15) days after Buyer acceptance of the cancellation charges.
6. **EXCESS, OBSOLETE MATERIAL LIABILITY:** Buyer agrees to assume full liability for components that are purchased to MOQ min/mul and at standard lead times, including NCNR & customer items. Components with no demand within three months are defined as slow moving or excess. Seller will identify and justify demand and slow moving items quarterly. The raw material sell-back will be valued at component standard cost plus material burden (standard cost * quantity * burden). Seller will use its commercially reasonable efforts to move broken industry package inventory to other seller's customers.
7. **COSTS:** In the event that either party resorts to legal action to enforce or interpret the terms and provisions of this agreement, the prevailing party shall be entitled to recover from the other party the costs of such

action so incurred, including, but not limited to, reasonable attorneys' fees.

8. **RESALE CERTIFICATION:** If this order is marked "Resale", Buyer certifies to Seller that the goods sold hereunder are purchased for purposes of resale.
9. **WARRANTY:** Seller warrants to Buyer that items assembled or manufactured by Seller will conform to the mutually agreed upon specifications and be free from defects in workmanship and material (except defects in material that is furnished by Buyer) upon shipment from Seller's factory. Seller's obligation under this warranty is limited to replacing or repairing at Seller's option, without charge, any of said items subject to the following:
 - 1) Mutual agreement that items have manufacturing defects; and
 - 2) Product is returned within twelve (12) months of the date of manufacture.

THE ABOVE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES AND COMPRISE SELLER'S SOLE AND ENTIRE WARRANTY OBLIGATION AND LIABILITY TO BUYER, ITS CUSTOMERS AND ASSIGNS. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR ANY PARTICULAR PURPOSE ARE EXPRESSLY EXCLUDED. NO AFFIRMATION BY SELLER, BY WORDS OR ACTIONS, OTHER THAN AS SET FORTH IN THIS SECTION SHALL CONSTITUTE A WARRANTY.

10. **LIMITATION OF LIABILITY:** SELLER IS NOT LIABLE FOR INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES OF ANY KIND RESULTING, DIRECTLY OR INDIRECTLY, FROM THE DESIGN, DELIVERY, MATERIAL, WORKMANSHIP, OPERATION OR INSTALLATION OF THE ITEMS BEING ASSEMBLED UNDER THIS ORDER, AND SELLER DOES NOT ACCEPT LIABILITY BEYOND THE REMEDIES SET FORTH HEREIN. BUYER AGREES THAT FOR ANY LIABILITY RELATED TO THE PURCHASE OF PRODUCTS OR SERVICES, SELLER IS NOT LIABLE OR RESPONSIBLE FOR ANY AMOUNT OF DAMAGES ABOVE THE AGGREGATE DOLLAR AMOUNT PAID BY THE BUYER FOR SUCH PRODUCTS OR SERVICES.
11. **WAIVER OF JURY TRIAL:** Buyer agrees to waive any right to trial by jury in any action, proceeding or counterclaim brought by Buyer concerning any matters arising out of or in any way connected to the sale of materials and/or services by Seller to Buyer or to the enforcement or interpretation of these Terms and Conditions.
12. **FORCE MAJEURE:** Seller shall not be responsible for any failure or delay, in whole or in part, to perform any of its obligations hereunder, to the extent and for the length of time, that performance is rendered impossible due to an event or occurrence beyond the reasonable control of Seller. Such events include but are not limited to acts of God, actions by any governmental authority (whether valid or invalid), riots, wars, sabotage, terrorism, floods, fires, windstorms, hurricanes, natural disasters, explosions, failure or interruptions in transportation, telecommunications or data transmission systems, and other circumstances of substantially similar character beyond the control of, and not reasonably foreseeable by, Seller.
13. **MISCELLANEOUS:** Buyer may not transfer or assign (by operation of law or otherwise), these terms and conditions, the related order of the rights, interests or obligations there under without the prior written approval of Seller. Any waiver, modification, supplement, amendment, consent or acquiescence with respect to any provision of these terms and conditions, the related order or the transactions contemplated here under shall be in a written instrument executed on behalf of both Buyer and Seller. No waiver of any of the provisions of these terms and conditions or the related order by any party should be deemed or shall constitute a waiver of any other provision, nor shall any such waiver constitute a continuing waiver.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed and delivered, effective as of the dates set forth below, by their officers, duly authorized.

Made this _____ day of _____, 20_____.

BUYER:

(Signature)

By: _____,
(Print Name of Signatory)
Its Agent, Duly Authorized.