



## STANDARD TERMS AND CONDITIONS OF SALE

### 1) Acceptance of Purchase Orders

Seller's acceptance of Buyer's Purchase Order is expressly made conditional on Buyer's acceptance of the flowing Terms and Conditions of Sale, which are in lieu of any additional or different terms contained in Buyer's Purchase Order or other document or communication pertaining to Buyer's order of the goods. Buyer's assent to the Terms and Conditions contained in this document shall be conclusively presumed from Buyer's acceptance of all or any part of the goods. None of these Terms and Conditions may be added to, modified, superseded or otherwise altered, except by a written instrument signed by an authorized executive Seller. Failure of Seller to object to any Terms and Conditions which may be contained in any document or form of Buyer shall not be construed as a waiver of these conditions, nor as an acceptance of any such Terms and Conditions.

### 2) Payment Terms

Payment Terms are Cash with Purchase Order for first time Customer's. Payment Terms of up to NET 30 can be established thereafter once a Customer Credit Application is completed and reviewed. Any payment terms granted to Buyer are due from the date of the Invoice. In the event the Buyer fails to perform its payment obligations in accordance with this Clause, or in the event of any change in Buyer's creditworthiness, Seller, at its sole discretion, reserves the right, among other actions to:

- a) Reject any new Purchase Orders received from Buyer
- b) Require Buyer to immediately pay all outstanding invoices which shall become immediately due
- c) Accept new Purchase Orders on the basis of revised payment terms, whereby Buyer will be obliged to pay for Products or Services in advance for delivery
- d) Demand and obtain additional securities (such as payment guarantees or escrows) from Buyer, in advance of accepting any new Purchase Orders

e) Withhold shipment or cease any performance until such time as payment is received from Buyer, at which point Seller will notify Buyer of a revised shipment date following the Buyer's payment of outstanding sums due to Seller.

The foregoing is without prejudice to any other Seller's rights or remedies which Seller may have under the applicable law. All Seller's collection costs, including reasonable attorney fees, arising out from Buyer's non-payment in accordance with the terms herein shall be payable by Buyer. Any overdue invoice will trigger the payment of late penalties by Buyer, calculated in accordance with the Late Payment of Commercial Debts (Interest) Act 1998. Late Payment of Commercial Debts (Interest) Act 1998. (The Late Payment of Commercial Debts (Interest) Act 1998 adds an implied term in business-to-business contracts, giving at least 8% a year interest on the price of goods or services, plus a fixed sum and reasonable costs of recovering the debt.) This payment is without prejudice to Seller's right to claim for additional, demonstrable costs incurred as a result of debt collection.

### 3. Price Changes

In the event of any specific requirement (including without limitation any design, specification, ordered quantity, shipment dates/ changes) representing a price increase, Buyer will be notified and afforded an opportunity to confirm within (5) business days from Seller's notice. In the event that the Buyer does neither confirm nor object in writing within (5) business days from Seller's notice, the price increase is deemed accepted by Buyer.

### 4. Shipments

Delivery terms are F.O.B. Seller's location, California unless otherwise specified on the Sales Order. Buyer shall assume all risk of loss or damage upon delivery by Seller to the carrier at the point of shipment. Scheduled dates of delivery are determined from the date of Seller's acceptance of any order or orders placed by Buyer.

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### 5. Cancellation

Orders accepted by Seller are subject to cancellation by Buyer only upon the express written consent of Seller. Upon such cancellation and consent, Seller shall cease work and hold for Buyer all completed and partially completed articles and work in progress and Buyer shall pay Seller: for all work and materials that have been committed to and/or identified to Buyer's order plus a cancellation charge as prescribed by Seller, in addition to a reasonable profit to Seller on the entire contract.

### 6. Returns

No Goods shall be returned to Seller without first obtaining written consent in the form of a Return Merchandise Authorization (RMA) from authorized personnel of Seller.

### 7. Delay

If Buyer requests deferral of deliveries, Seller's agreement to defer delivery shall not excuse Buyer from its obligation to pay for the goods at the same times and in the same quantities as the original delivery schedule, including interest due pursuant to these terms and condition. In addition to adhering to the original payment schedule, Buyer shall pay such storage charges as Seller may assess for storing the goods awaiting delivery. If Buyer requests deferral prior to commencement of production, Seller may require progress payment in connection with expenses for material and services incurred by Seller in anticipation of production.

### 8. Termination

If a party breaches any of the provision of these Terms and Conditions of Sale, the non-breaching party may terminate these Terms and Conditions as follows: (a) immediately upon providing written notice to the breaching party if the breach is not capable of being cured, and (b) thirty (30) calendar days after providing written notice to the breaching party if the breaching party fails to cure such breach within such thirty (30) calendar day period. The termination of these Terms and Conditions of Sale in any way whatsoever will be without prejudice to the right, obligations and liabilities of either party accrued prior to termination.

### 9. Force Majeure

Neither Party will be held responsible for its failure to fulfill any of its obligations (except for Buyer's payment obligations hereunder) if and to the extent that such failure is due to acts of God (such as floods, storms, fires and earthquakes), acts of war, strike, failure of public utilities, terrorism or general civil insurrection, government and competent authorities orders, embargoes and trade limitations, changes in law or regulation, or any other matters beyond the reasonable control of, and not due to, any fault or negligence of such affected Party. Performance shall be deemed to be suspended during the force majeure period. Upon cessation of the force

### 10. Quality

Products and/or Services shall be delivered in accordance with Seller's then applicable quality management system. Buyer's specific quality terms and requirements shall only be complied with where such terms have been expressly agreed in writing by Buyer and Seller as being applicable to a particular order.

### 11. Acceptance of Goods/Services

The Products shall be deemed to have been accepted by Buyer thirty (30) calendar days after delivery of Goods. Buyer must notify Seller in writing and confirm that Seller has received Buyer's notification of non-acceptance within 30 days of delivery of Goods. Buyer must have legitimate, non-frivolous reason for non-acceptance. Notwithstanding the foregoing, use of the Goods by Buyer, its agents, employees or customers shall constitute acceptance of Goods by Buyer. Seller has MRB (Material Review Board) authority (I/A/W USAF procedures for MRB) over Goods and will review and concur in all proposed use-as-is and repair dispositions and justifications.

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### 12. Dispute Resolution

Should a dispute arise, the parties first agree to non-binding mediation in Ventura county, California. This agreement is governed by and shall be construed in accordance with the laws of the state of California, county of Ventura, without reference to conflicts of laws principles. Each of the parties irrevocably submits to the exclusive jurisdiction of the Ventura County Superior Court of California for purposes of any suit, action or other proceeding arising out of this agreement or any transaction contemplated hereby and agrees not to commence any action, suit or proceeding relating hereto except in such court. Each of the parties waives any challenge to the venues of the Ventura County Superior Court of California, including but not limited to any challenge based upon forum non conveniens. Each party agrees that service or process summons, notice or other document may be made by United States registered or certified mail or other overnight courier. For any such suit, action or proceeding, the prevailing party shall be entitled to recover its costs of suit plus reasonable attorney fees.

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