

The following standard Terms and Conditions of Sale shall govern all transactions except as otherwise specifically agreed in writing between the person, firm, company or other organization to whom the goods are sold (the "Buyer") and United Electric Controls Co. (the "Seller").

1. SALE OF GOODS AGREEMENT

- 1.1. PRICES are in US Dollars unless agreed and documented on Seller's Sales Order Acknowledgement Form.
- 1.2. CANCELLATION of orders, once placed with and accepted by Seller, can be made only with Seller's written consent and on terms that will indemnify Seller against loss in manufacturing and related costs.
- 1.3. QUANTITY PRICING applies to a single firm order, released in accordance with the minimum shipping quantities specified. When releases are less than those specified, price will be determined by the quantity released. To earn quantity prices, a definite release schedule must accompany order. Quantity prices apply only on an order scheduled for completion within twelve (12) months from date of acceptance of order, or so specified. No ordered quantity may be reduced without repricing consideration.
- 1.4. MINIMUM SHIPPING QUANTITIES will apply as per Seller's Quotation or Agreement for any minimum shipping quantities that apply. Any alterations called for are to be at the expense of Buyer.
- 1.5. No orders will be accepted on a "Manufacture and Hold" basis.
- 1.6. It is agreed that all goods manufactured, and remaining on hand at date specified for delivery, shall, at the option of the Seller, be shipped and invoiced without further notice.
- 1.7. Change requests related quantity or delivery may be granted but additional charges to Buyer may be incurred.
- 1.8. All shipments made hereunder shall, at all times, be subject to the approval of Seller's Finance Department.

2. SHIPPING and DELIVERY

- 2.1. All shipments are Ex-works, Factory, Watertown, Massachusetts. (INCOTERMS) basis.
- 2.2. All U.S. shipments are customarily sent via United Parcel Service. Charges are added to invoice.
- 2.3. All export shipments are by airfreight using Seller's standard forwarders on door to airport basis. Freight is charged on a "collect basis". Transit insurance shall be arranged by Buyer, unless requested by the Buyer and accepted by Seller.
- 2.4. Seller reserves the right to make partial shipments, other than stated above, for good and valid reasons.
- 2.5. Any claim for shortage or any other cause must be reported to Seller within thirty (30) days of receipt of products.

3. FORCE MAJEURE

- 3.1. Seller will not be responsible for failure or delay, owing to any act of God, war, strikes, government regulation of orders, national emergencies, preference given to orders of the Government of the United States, any instrumentality thereof for national defense, lockouts, fire, flood, drought, tempest, breakdowns, delay of carriers, limited production or any other cause (whether or not of like nature) beyond the control of the Seller or owing to any inability by the Seller to procure materials or articles required for the performance of the contract and in any event, for any consequential damages to Buyer for Seller's failure or delay in delivery.

4. PAYMENTS

- 4.1. Shipments made will be subject to the approval of Seller's Credit Department.
- 4.2. Standard payment terms at Net 30 days.
- 4.3. If the financial responsibility of the Buyer becomes impaired, or unsatisfactory to Seller, or if Buyer fails to make payment in accordance with aforesaid terms, then in any such event, Seller may defer or decline to make any shipments hereunder, except upon receipt of satisfactory security or cash payments in advance.
- 4.4. Service charges may be billed on all overdue balances as of the last day of each month.
- 4.5. Seller is responsible for banking fees attributable to its bank only. Any other banking fees are the responsibility of the Buyer.
- 4.6. Credit card – payment is taken at time of order for all credit card transactions.

5. WARRANTY AND CLAIMS

LIMITED WARRANTY: Seller warrants that the product hereby purchased is, upon delivery, free from defects in material and workmanship and that any such product which is found to be defective in such workmanship or material will be repaired or replaced by Seller (Ex-works, Factory, Watertown, Massachusetts. INCOTERMS); provided, however, that this warranty applies only to equipment found to be so defective within a period (as defined in the chart below) from the date of manufacture by the Seller.

PRODUCT SERIES/COMPONENTS/REPLACEMENT PARTS	WARRANTY
Electrochemical Sensors	12 Months
AST Temperature Products	18 Months
10 Series, 24 Series, 54 Series, 55 Series, J6 Series, J21K Series, J40/J41 Series, 100 Series, 117 Series, 120 Series, 400 Series, 800 Series, Infrared Sensors, Gateways and Gateway Accessories	24 Months
One Series, Excela, 12 Series, Vanguard Base Transmitter	36 Months
Battery	60 Months*

*5 year battery warranty valid only with registration at www.ueonline.com/vanguard.

No merchandise may be returned without a pre-issued Return Material Authorization (RMA) by the Seller and will be shipped pre-paid by the Buyer.

Seller shall not be obligated under this warranty for alleged defects which examination discloses are due to tampering, misuse, neglect, improper storage, and in any case where products are disassembled by anyone other than authorized Seller's representatives. EXCEPT FOR THE LIMITED WARRANTY OF REPAIR AND REPLACEMENT STATED ABOVE, SELLER DISCLAIMS ALL WARRANTIES WHATSOEVER WITH RESPECT TO THE PRODUCT, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

6. LIMITATION OF SELLER'S LIABILITY

- 6.1. SELLER'S LIABILITY TO BUYER FOR ANY LOSS OR CLAIM, INCLUDING LIABILITY INCURRED IN CONNECTION WITH (I) BREACH OF ANY WARRANTY WHATSOEVER, EXPRESSED OR IMPLIED, (II) A BREACH OF CONTRACT, (III) A NEGLIGENT ACT OR ACTS (OR NEGLIGENT FAILURE TO ACT) COMMITTED BY SELLER, OR (IV) AN ACT FOR WHICH STRICT LIABILITY WILL BE INPUTTED TO SELLER, IS LIMITED TO THE "LIMITED WARRANTY" OF REPAIR AND/OR REPLACEMENT AS SO STATED IN OUR WARRANTY OF PRODUCT. IN NO EVENT SHALL THE SELLER BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR OTHER DAMAGES OF A LIKE GENERAL NATURE, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS OR PRODUCTION, OR LOSS OR EXPENSES OF ANY NATURE INCURRED BY THE BUYER OR ANY THIRD PARTY.
- 6.2. Advice by Seller regarding designs or wordings on wrappers, cartons, labels or other materials sold to Buyer, which relate to products of Buyer, shall not impose any liability on Seller, or relieve Buyer of any duty, under contracts, laws or regulations relating to products of Buyers.
- 6.3. Parts listed on the Sales Order Acknowledgement and/or Invoices(s) are similar in terms of fit, form and function as the parts requested, however, please note that the Buyer is responsible to ensure compatibility and suitability to his application. In case of any doubt, please check with the Seller, or its authorized representative.
- 6.4. The Seller shall not be bound by any oral condition, warranty or representation given or made on its behalf, nor by any express or implied term, condition of warranty, whether arising by statute or common law or by usage, or custom, except as expressly provided by the Seller in writing.
- 6.5. INDEMNIFICATION: Buyer agrees to indemnify and hold the Seller harmless from and against any damages, liabilities, losses, and expenses of any kind (including reasonable counsel fees), which may be sustained or suffered by the Seller by reason of any claim, action, or proceeding arising in whole or in part out of the Buyer's negligent or intentional acts or omissions related to this agreement.

7. TAXES

Prices do not include Federal, Country, Provincial, State, or Local duties or taxes based on, or measured by, sales. Such tax or taxes, where applicable, will be added to the prices, unless exemptions are supported with resale number on the face of the order. For export shipments, custom clearance and local duties and charges applicable at destination country are not included for and must be arranged by the Buyer.

8. INSURANCE AND CLAIMS FOR LOST, DAMAGED AND DELAYED SHIPMENTS

- 8.1. Domestic shipments sent via UPS prepaid are insured and the charges added to the invoice. For all export or non-UPS shipments, transit insurance shall be arranged by Buyer, unless requested by the Buyer and accepted by Seller.
- 8.2. The risk in goods contracted to be sold by the Seller shall pass to the Buyer (or to such person whom the Buyer may reasonably direct) when the goods (or any part thereof when there is more than one delivery under the contract) leave the Seller's premises.
- 8.3. Special care is exercised in packing for shipment, however, the Seller assumes no responsibility for delay, breakage or damage after making delivery in good condition to the carrier. All claims for breakage and damage should be made directly to the carrier. The Seller will render all reasonable assistance in securing satisfactory adjustments to such claims.

9. SHIPPING & DOCUMENTATION

- 9.1. Standard packaging is corrugated cardboard carton. Any special packaging and/or markings must be agreed upon and documented on the Sales Order Acknowledgement and/or Invoices(s).
- 9.2. When special certificates, etc. are required, they must be ordered separately and documented on the Sales Order Acknowledgement and/or Invoices(s).
- 9.3. Any third party inspections, or other logistic related costs are not included. Such costs must be prearranged with Seller and documented on the Sales Order Acknowledgement and/or Invoices(s).

10. EXPORTS AND EXPORTS CONTROL

- 10.1. Payment arrangements must be satisfied, and export license(s), if required, must be secured prior to manufacturing.
- 10.2. Buyer is aware of, and covenants and agrees to observe and comply fully with, Applicable Law related to export control and economic sanctions of the United States, including but not limited to the Export Administration Regulations ("EAR," 15 C.F.R. Parts 730-774) and economic sanctions laws and regulations maintained and implemented by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC," through 31 C.F.R. Part 500 et seq. and pursuant to various executive orders and statutes administered by OFAC); and any other Applicable Law related to export controls and economic sanctions of other jurisdictions to the extent compliance with such Applicable Law is not prohibited or penalized by Applicable Law of the United States (collectively, "Export and Trade Controls").
- 10.3. Without limiting the generality of the foregoing, Buyer expressly agrees that it shall not export (directly or indirectly), re-export, divert or otherwise transfer Company material to any destination, entity or individual restricted or prohibited from receiving such Company material by applicable Export and Trade Controls without obtaining all required governmental licenses or other authorizations.
- 10.4. Buyer acknowledges that the Lists of Restricted Parties are frequently updated and that the lists maintained by the U.S. government can presently be accessed at: http://export.gov/ecr/eg_main_023148.asp. It is the responsibility of Buyer to ensure that it is not engaging with entities or persons subject to trade restrictions and to routinely check the updated Lists of Restricted Parties. Because nothing in this Agreement is meant to require compliance with Applicable Law of a jurisdiction other than the United States where such compliance would be prohibited or penalized by Applicable Law of the United States, a "restricted party" in this context does not include entities or persons that are subject to boycotts that the United States does not endorse (such as the Arab League boycott of Israel).
- 10.5. If Buyer becomes identified on any export denial, blocked, debarred, Specially Designated National, or other similar list maintained by the United States or other applicable jurisdiction, Company may terminate any and all transactions at any time.
- 10.6. DESTINATION CONTROL STATEMENT: THESE COMMODITIES WERE EXPORTED FROM THE UNITED STATES IN ACCORDANCE WITH THE EXPORT ADMINISTRATION REGULATIONS. DIVERSION CONTRARY TO U.S. LAW IS PROHIBITED.

11. COUNTEROFFERS

If the terms and conditions of this document differ in any way from the terms and conditions of Buyer's order, this document will be construed as a Counteroffer and will not be effective as an acceptance of Buyer's terms and conditions which conflict herewith. The terms and conditions contained herein will be the complete and exclusive statement of the terms of the agreement between the parties. Buyer's acceptance of the goods sold hereunder will manifest Buyer's assent to the terms and conditions hereof. No addition to or modification of any of these terms and conditions will be effective unless made in writing and signed by Seller.

12. JURISDICTION AND VENUE

These terms and conditions shall be governed by and construed in accordance with the provisions of the Uniform Commercial Code as adopted by the Commonwealth of Massachusetts. Any claims or legal proceedings by one party against the other shall be brought exclusively in State or Federal Courts having jurisdiction in the Commonwealth of Massachusetts, and both parties hereby submit to the jurisdiction and venue of such court.