



TERMS AND CONDITIONS

GENERAL – THE FOLLOWING TERMS AND CONDITIONS APPLY TO ALL PURCHASE ORDERS, CONTRACTS, QUOTATIONS, SHIPMENTS, AND SALES ISSUED TO AUTECH POWER SYSTEMS AS SELLER.

THESE TERMS AND CONDITIONS SHALL BE APPLICABLE WHETHER OR NOT THEY ARE ATTACHED TO OR ENCLOSED WITH THE GOODS TO BE SOLD. THESE TERMS AND CONDITIONS MAY IN SOME SITUATIONS BE DIFFERENT FROM OR CONFLICT WITH THE TERMS AND CONDITIONS CONTAINED IN A PURCHASE ORDER, ORDER BLANK, OR TERMS SPECIFIED BY A BUYER; ACCEPTANCE BY THE SELLER OF ANY ORDER IS EXPRESSLY CONDITIONED ON BUYER'S ACCEPTANCE OF SELLER'S TERMS AND CONDITIONS HEREIN. BUYER MAY ACCEPT BY WRITTEN ACKNOWLEDGMENT OF THESE TERMS AND CONDITIONS OR BY IMPLICATION OR COURSE OF CONDUCT (ACCEPTANCE OF OR PAYMENT FOR GOODS ORDERED). THE BEFORE-MENTIONED ACTIONS CONCLUSIVELY CONSTITUTE ACCEPTANCE OF THESE TERMS AND CONDITIONS. THE SELLER MUST SPECIFICALLY AGREE TO CHANGES TO THESE TERMS AND CONDITIONS IN WRITING BEFORE THEY ARE BINDING.

SPECIFICATIONS – ALL PRODUCT SPECIFICATIONS ARE SUBJECT TO CHANGE WITHOUT NOTICE. SELLER CANNOT BE HELD LIABLE FOR ERRORS OR OMISSIONS OR THE CONSEQUENCES THEREOF.

ORDERS AND CONFIRMATION – All orders are subject to product availability and acceptance by Seller. All orders must have scheduled delivery dates. Any purchase order with a balance that is unscheduled will be subject to Seller's standard lead-time. Product in stock in the U.S. and available for delivery may be shipped within 24 hours after receipt of order. Seller's lead-time to deliver products not in stock is usually twelve (12) weeks after acceptance of order by Seller. If product is in stock and available for sale, Seller will either ship the product directly, or send a written confirmation to the Buyer. In the event that product is not in stock, Seller will provide Buyer with a written notification of the delivery schedule, and Buyer may cancel within ten (10) days of receipt of such notice. If customer accepts the new delivery date, Autec Power will then provide written confirmation of acceptance.

MINIMUM ORDER – A minimum amount of US\$250.00 per order is required; a \$25.00 dollar service charge will be added for orders under the minimum amount to cover processing expenses, if Seller chooses to accept such order.

SCHEDULING ORDERS: (STANDARD PRODUCTS) – Standard Products scheduled to ship within a seventy (70) day window from original ship date on P.O. are non-cancelable. Products scheduled to ship within a 30-70 day window may be rescheduled. All standard products must be taken within three (3) months of the original scheduled date. Once an originally scheduled date is rescheduled, it may not be rescheduled again.

TERMS AND CONDITIONS - (cont'd)

SCHEDULING ORDERS: (MODIFIED OR CUSTOM PRODUCTS) – Modified or Custom Products built in accordance of customer's written specifications scheduled to ship within a ninety (90) day window from date of request are non-cancelable. Products scheduled to ship within a 60-90 day window from date of request may be rescheduled. All modified or custom products must be taken within three months of the scheduled date. Once an originally scheduled date is rescheduled, it may not be rescheduled again. Any uniquely purchased materials required to produce a Modified or a Custom Product is the responsibility of the customer in the event of a cancellation.

PRICES – Prices in general are dependent on volume of the particular items purchased, terms of payment and the credit worthiness of the Buyer, and are subject to change without prior notice. Prices quoted by Seller are not subject to revision or reduction by Buyer. Each shipment is considered a separate and independent transaction.

VOLUME PRICING – Scheduled orders must be shipped in full over a 12-month period. If the amount scheduled by the customer and delivered by Seller within this period is less than the amount ordered, or if cancellation occurs, a bill-back invoice will be issued reflecting the difference in volume price between the quantities ordered and the quantity delivered.

TAXES – All applicable present and future sales, revenue, excise or other tax under this order shall be added to the purchase price and shall be paid by Buyer, unless Buyer provides Seller with a tax exemption certificate acceptable to the taxing authorities.

PAYMENT TERMS – All sales are cash upon delivery unless otherwise agreed in writing. In the event that Seller has the products ready to ship, but the shipment is delayed by Buyer, payments become due on the date Seller is prepared to make shipment, not when shipment is actually made. Domestic (U.S.) buyers who desire credit terms shall send an email Request for Credit to Seller, showing three (3) trade references and bank account information, to Seller's accounting department prior to product being shipped on NET terms. Until and unless such credit request has been approved, all orders will be shipped C.O.D. / company check (or cashiers' check as determined by Seller's Accounting Department). Once credit is approved, payment terms are NET 30 days from the date of shipment. There may be some instances where, although the customer is credit worthy, NET 30 terms will not be an option, due to the low price being offered – in those cases Seller's written confirmation of order shall control. For international accounts the terms of payment may be cash-in-advance, bank-to-bank wire transfer or irrevocable letter of credit. Any other method of payment will require prior approval by Seller. In the event Buyer fails to pay any sum when due, or if there are grounds that would lead a reasonable merchant to doubt the Buyer's ability to pay, Seller may decline to make further deliveries except upon receipt of cash or satisfactory security for payment. As a strong incentive for timely payment of all invoices (and not to provide any form of financing or time payments), Seller applies a late payment charge of 1.5% per month on all overdue balances. Buyer agrees that it is impractical and extremely difficult to calculate actual damages to Sellers due to the late payment by a delinquent Buyer. Buyer agrees that the late charge above is reasonable under the circumstances. Collection expenses and legal fees incurred in the collection of overdue balances will be paid by the delinquent Buyer. This sale is conditioned on the provision that all disputes related thereto must be resolved in Ventura County, California, and all legal actions

TERMS AND CONDITIONS – (cont'd)

PAYMENT TERMS – (cont'd)

Must only be brought in Ventura County, California, and the parties waive all claims of impropriety of personal jurisdiction, venue and/or forum non-convenience. If Seller prevails, Buyer shall pay all costs of litigation incurred by Seller, including but not limited to attorney fees and court costs. California law shall apply to the construction and interpretation of these terms and conditions, and all dealings between the Buyer and the Seller.

SHIPMENT – All shipping costs, and insurance, as applicable, shall be added to the purchase price and shall be paid by the Buyer. Unless otherwise instructed by Buyer, Seller will exercise its own judgment in the method of shipment.

HEADINGS – All headings are for convenience purposes only, and do not form part of these Terms and Conditions of Sale.

RISK OF LOSS – All sales are F.O.B. Seller's warehouse, unless otherwise agreed in writing. As a convenience for Buyers, but not extending Seller's risk of loss, on goods shipped "Freight Pre-Paid," Seller may elect to purchase insurance coverage the goods until they are release to the Buyer by the freight carrier. The invoice shall include cost of goods, shipping and insurance. Further, if the Buyer refuses insurance coverage on a Freight Pre-paid shipment, the product will be shipped Freight Collect; unless a waiver is signed by Buyer releasing Seller, it's agents and the freight carriers from all responsibility. In all situations Seller's liability as to the delivery ceases upon making delivery of the goods to the carrier at the Seller's warehouse in good condition, and the Buyer bears all risk of loss thereafter. The freight carriers act as Buyer's agent. All claims of damages must be filed with the carrier only. Goods held for the Buyer are at the risk and expense of Buyer. All Buyers should procure adequate insurance at their own expense to protect their interest in the goods.

SERVICE & SUPPORT – Please contact the seller's technical support staff with questions regarding problems with the goods before returning any of the goods. It may only be a minor problem, which can be fixed without returning the goods.

CLAIMS – No claim of any kind, as to goods received or delivery of goods in respect to which damages are claimed and failure to give notice of claim within ninety (90) days from the date of delivery shall constitute a waiver by Buyer of all claims in respect to such goods. No charge or expense incident to any claims shall be the responsibility of Seller except with Seller's prior written authorization. Goods shall not be returned to Seller without Seller's prior permission, and then only in the manner prescribed by Seller. No claim shall be allowable if the goods have been modified in any manner.

RETURN PROCEDURE – Buyer must follow the following procedure to return defective goods: (1) Buyer must notify Seller in writing within the warranty period of any defect or nonconformance in the goods, by completing Seller's Return Merchandise Information Sheet (RMIS), and provide proof of purchase for the goods (e.g. invoice with matching serial numbers); (2) Buyer must obtain authorization and an RMA number from Seller to return the defective goods; (3) the goods must be received by Seller within fifteen (15) days after return



TERMS AND CONDITIONS – (cont'd)

RETURN PROCEDURE – (cont'd)

Material authorization is given by the Seller; and (4) Buyer must pay all shipping costs. Additionally, acceptance of returned goods are subject to Seller's examination of such goods, to verify that the defect or nonconformance or difficulty was not in any way caused by the negligence, improper installation, misuse or unauthorized repair of the goods. Seller may refuse acceptance of returned goods that do not follow this procedure.

LIMITED WARRANTY – Seller warrants its products against defects in materials and workmanship for a period for two (2) years for all product except for the LED Drivers then it is five (5) years, from the date of invoice; during this warranty period, and further subject to the return and other policies stated herein, Seller will repair or replace products that prove to be defective. Replacement is with a functionally similar unit, and there is no assurance that the same unit will be available at time of replacement. Seller shall have no responsibility for products out of warranty, but may accept such for repairs at the sole risk of Buyer, at the going labor rate of Seller, plus parts and shipping, if the necessary parts are still available. This warranty is voided and there is no warranty of any kind, if the product has been damaged by accident, misuse, neglect, or abuse by anyone other than the Seller; or if it has been altered or repaired by anyone other than the Seller. Buyer's sole remedy in the event that the product proves defective, and Sellers' liability in any event, is limited to the repair or replacement of the product proven defective. Under no circumstances shall Seller be liable for any loss or damage, whether direct or indirect, incidental, consequential, special or otherwise, arising out of or relating to the use of, or the inability to use the product, in excess of the cost of replacement of any product proven defective during the warranty period.

DISCLAIMER OF OTHER WARRANTY – THERE IS NO WARRANTY THAT EXTENDS BEYOND THE DESCRIPTION STATED ABOVE. THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTY OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. THIS WARRANTY IS ALSO IN LIEU OF ALL OTHER OBLIGATIONS OR LIABILITIES ON SELLER'S PART, AND IT NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR THE SELLER ANY OTHER LIABILITIES. THIS DOCUMENT DESCRIBES BUYER'S SOLE AND EXCLUSIVE REMEDY FOR ANY CLAIM RELATING TO THE GOODS.

CANCELLATION – Upon acceptance by Seller, an order shall not be canceled or modified by Buyer without the prior written consent of Seller. In the event such orders or the related specifications are modified, the costs occasioned thereby shall be added to the purchase price. If the Buyer cancels an order, and the order covers items or parts that are specially made to the Buyer's specifications, the Buyer shall pay immediately for such items, parts or materials therefor, if already procured OR completed by Seller as of the date of cancellation. If Buyer for any reason fails to take delivery, Buyer shall make payment as though delivery had been made and Seller may store such goods for Buyer's account and at Buyers' expense and risks. Seller also further reserves all claims for damages and other remedies, upon cancellation of any order or breach of these terms and conditions by Buyer. Seller shall be entitled, in the event of bankruptcy or insolvency of Buyer, or in the event any proceeding is brought against Buyer under bankruptcy or insolvency laws, to cancel any order then outstanding and receive reimbursement for Seller's losses as a result of the cancellation.



TERMS AND CONDITIONS – (cont'd)

FORCE MAJEURE – Seller shall not be liable for any replacement costs, delay, or non-delivery, and/or any damages (compensatory, restitution, consequential, exemplary, etc.) if these are in any way due to causes beyond Seller's reasonable control. These causes include but are not limited to acts of God, acts of civil or military authority, priorities, fires, strikes, lockouts, slowdowns, factory or labor conditions, errors in manufacture and inability due to causes beyond Seller's reasonable control to obtain necessary labor, materials or manufacturing. In the event of such a delay in the delivery date, at the request of the Seller, a period equal to the time lost by the delay shall be deferred for the shipment period.

INDEMNITY – To the extent that the products sold hereunder are furnished to Buyer's specifications, Buyer shall indemnify and hold Seller harmless against any loss, damage, or liability which results from any claim brought by third parties, and Buyer agrees to defend any cause of action in which such infringement is alleged, upon receipt of notice of such action.

SEVERABILITY – If any term or condition of sale is held invalid, illegal or unenforceable in any jurisdiction, such term or condition shall be deemed severed from the rest of these terms and conditions in that jurisdiction. The legality, validity and enforceability of the remaining terms and conditions shall not in any way be affected or impaired.

INTEGRATION – Acceptance of this agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all previous negotiations, and agreements.

Please contact Autec Customer Service at sales@autec.com should you have any questions about our products or these Terms and Conditions.

Thank you for choosing Autec Power Systems.