POWER SYSTEMS, LLC. – STANDARD TERMS AND CONDITIONS OF SALE

GOODS AND SERVICES SOLD BY POWER SYSTEMS, LLC. ("POWER SYSTEMS") ARE EXPRESSLY SUBJECT TO THE TERMS AND CONDITIONS SET FORTH BELOW. ANY DIFFERENT OR ADDITIONAL TERMS OR CONDITIONS IN BUYER’S PURCHASE ORDER OR OTHER COMMUNICATION ARE OBJECTED TO AND SHALL NOT BE BINDING ON POWER SYSTEMS UNLESS AGREED TO IN WRITING. POWER SYSTEMS’ ACCEPTANCE OF SHIPMENT OR PERFORMANCE AND/OR PAYMENT FOR THE GOODS OR SERVICES CONSTITUTES ACCEPTANCE OF POWER SYSTEMS TERMS AND CONDITIONS.

PRICE: Prices in effect at time of shipment of Materials or performance of services shall prevail. All prices quoted by POWER SYSTEMS are subject to correction or change without notice. Prices do not include freight, handling, insurance, sales and use taxes, duties, or other charges which may be applicable. If taxes are applicable, such taxes shall be billed as a separate item and paid by Buyer. A standard shipping charge is applied to each invoice for Materials to cover the material packaging, preparation, freight and/or any additional costs associated with exporting the Materials to Buyer. An additional charge for local delivery may also apply. Export orders may be subject to other special pricing.

PAYMENT TERMS: Unless otherwise agreed in writing, terms of payment are thirty (30) days net, without setoff or deduction. Any discounts are at the sole discretion of POWER SYSTEMS and are not transferable. If Buyer's credit has not been approved prior to sale. A late payment charge of 1 1/2% per month (an annual percentage rate of 18%) shall be charged on all past due accounts and Buyer shall pay POWER SYSTEMS all costs incurred by it in collecting any overdue amount, including, but not limited to, reasonable attorneys' fees of counsel and collection expenses. Power systems reserves the right to require full payment in advance for any order from any person or firm with whom it has reason to believe that the order is not sound or that the person or firm cannot pay for its products.

CREDIT BALANCE: Any credit balance will be applied within one (1) year of its issuance. IF NOT APPLIED WITHIN SUCH PERIOD, THE EXPIRED CREDIT BALANCE WILL BE FORFEITED TO POWER SYSTEMS.

DELIVERY: Unless otherwise noted, all sales of Materials are made f.o.b. point of shipment and, in all cases, title shall pass upon delivery to the carrier at point of shipment and thereafter all risk of loss or damage shall be upon Buyer. Delivery dates given in advance of actual shipment of Materials or performance of services are estimates and shall not be deemed to represent fixed or guaranteed delivery dates. Buyer shall notify POWER SYSTEMS of any nonconformance of Materials within a commercially reasonable time after Buyer becomes aware of any such nonconforming products.

INDEMNITY: With respect to any liability that may be imposed on the manufacturer of the Materials; however, Buyer recognizes the Materials are utilized in many regulated applications and that Buyer assumes the risk of loss or damage arising from the use of any such Materials purchased and acknowledges the limited liability policy of the Seller. POWER SYSTEMS MAKES NO WARRANTY AND ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS ARE HEREBY EXCLUDED. Buyer is responsible for installation and use of Materials, including, without limitation, for its own system or product. POWER SYSTEMS disclaims any and all liability for installation or use of Materials, whether as a result of breach of warranty, tort (including negligence) or other grounds.

ASSIGNMENT OR DELEGATION: Buyer shall not assign or delegate any of its rights hereunder or transfer this Agreement without the prior written consent of Seller. In the event of: (i) Buyer's insolvency, (ii) the filing of a voluntary petition in bankruptcy by Buyer, (iii) the appointment of a receiver or trustee for Buyer, or (iv) the execution by Buyer of an assignment for the benefit of creditors, this Agreement, all rights and duties hereunder, and all rights to receive proceeds from the sale of the Materials, shall be automatically assigned to Seller, power systems or its designee. Power systems shall in its reasonable discretion decide whether to honor any subsequent performance of any such term or condition by the other party. All transactions shall be governed by the laws of the State of Ohio, United States of America, excluding conflict of law rules. Any dispute arising out of or relating to this Agreement, including, without limitation, any dispute or claim that the parties may have in the future, shall be resolved by arbitration before a commercial arbitrator selected by Seller, power systems or its designee, in accordance with the law of the State of Ohio administered by the American Arbitration Association under its Commercial Arbitration Rules. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction.

GENERAL: All orders are subject to acceptance by POWER SYSTEMS. The terms and conditions of the offer shall govern the contract, and any other terms or conditions accepted at the time of order are hereby rejected. These Terms and Conditions shall constitute the entire and exclusive agreement between Buyer and POWER SYSTEMS. Any representation, affirmation of fact or course of dealing, promise or condition in connection therewith or usage of trade which is inconsistent with or in addition to these Terms and Conditions is hereby rejected. In the event that any provision of this agreement is held to be invalid or unenforceable, invalid or void for any reason, such provision shall be automatically voided and shall not be part of this agreement and the enforceability or validity of the remaining provisions shall not be affected thereby.

SPECIAL TOOLS: Unless specifically agreed in writing by POWER SYSTEMS, and unless paid for by Buyer as shown on the invoice, all special tools, dies, jigs, patterns, machinery and/or equipment needed by POWER SYSTEMS to make, test, inspect, or otherwise handle Materials shall be furnished by Buyer or at Buyer's expense. Any such tools or equipment shall be the property of Buyer.

ORDER ACCEPTANCE: Buyer acknowledges that no order shall be deemed accepted unless and until it is verified and accepted by POWER SYSTEMS, or any of its U.S. affiliates, subsidiaries and divisions, at a continental U.S. facility or at any of its websites. Buyer further consents that submission of its order shall subject Buyer to the jurisdiction of the federal courts of the United States of America and of the State where acceptance occurred in the United States of America. POWER SYSTEMS reserves the right to make any changes in the specifications of any Materials or to discontinue making any Materials without notice. Buyer accepts and agrees to be bound by the standard terms and conditions of sale as set forth herein and agrees to be bound by any additional terms and conditions related to export of Products.

TAXES: Sales of Materials products will be governed by the following ADDITIONAL TERMS AND CONDITIONS ("ADDITIONAL TERMS") in the event of a conflict between the ADDITIONAL TERMS and the terms and conditions of the purchase order issued by the United States Department of Commerce. Buyer shall comply with all relevant laws and regulations of governmental bodies or agencies, including but not limited to all applicable export controls and/or embargoes, and any U.S. Department of Commerce export regulations or other applicable governmental regulations.

BUYER AGREES TO INDEMNIFY AND HOLD POWER SYSTEMS HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE LAWS OR REGULATIONS.

FOREIGN PRINCIPAL PARTY IN INTEREST; FREIGHT FORWARDER AND DOCUMENTATION: It is specifically agreed that Buyer shall be the foreign principal party in interest and/or that its freight forwarder will act as agent in such capacity for Export Administration Act or other applicable export purposes; and Buyer and freight forwarder shall assume responsibility for all export or routes documentation. At POWER SYSTEMS' request, Buyer or its freight forwarder shall provide copies of any additional documentation to demonstrate compliance with applicable U.S. laws and regulations relating to the product purchased by Buyer. Any commodities, technology and software will be exported from the U.S. in accordance with the U.S. Export Administration Regulations (22 CFR 120-130) and the International Traffic in Arms Regulations (22 CFR 124-130) and any applicable foreign law. Export of any commodities, technology and software is prohibited. If requested by POWER SYSTEMS, Buyer shall provide documentation satisfactory to POWER SYSTEMS verifying delivery at the designated country. Buyer further agrees to inform POWER SYSTEMS if they have been informed by the U.S. government or any other governmental agency regarding a federal or military authorization. Buyer agrees that the products will be shipped to the specified destination in compliance with the laws of such destination and the U.S., and that the products will not be directly or indirectly, sold, transferred, released, transported, exported, reexported, transferred, or retransferred to any end user or designated person prohibited from receiving such items under the laws of the U.S. or any foreign country. Buyer represents, warrants, and covenants that it has not paid, offered or agreed to pay, authorized or directed any license fee, royalty, tax, or other payment to any Designated Narcotic Traffickers, any Person on the U.S. Treasury Department’s Designated Nationals and Blocked Persons List or the U.S. Treasury Department’s Specially Designated National Terrorists List, or the U.S. Department of State’s Designated Foreign Persons List, any country subject to U.S. government embargo or sanctions, or any Prescribed Nationals, or any Individual or Entity Prohibited by an OFAC Sanctions Program, or any Entity on the U.S. Treasury Department’s Denied Persons List or Unverified List; or the United States Department of the Treasury's Control List, or the U.S. Treasury Department's Designated Nationals and Blocked Persons List, or the U.S. Treasury Department's Specially Designated National Terrorists List, or the U.S. Department of State's Designated Foreign Persons List, or any country subject to U.S. government embargo or sanctions, or any Individual or Entity Prohibited by an OFAC Sanctions Program, or any Entity on the U.S. Treasury Department’s Denied Persons List or Unverified List, or any other U.S. government or OFAC-sanctioned list or directory of terrorists or prohibited persons. Buyer further agrees that power systems shall determine whether to honor any order placed by Buyer and such determination shall be binding on Buyer.

PAYMENT: Buyer shall pay for all Materials sold hereunder and shall be responsible for providing any such documentation, packaging, marking or labeling, but POWER SYSTEMS shall not be responsible for providing any such documentation, packaging, marking or labeling other than that specified on the applicable purchase orders and acknowledgement. POWER SYSTEMS expressly agrees, in writing, to do so.

PERMITS, EXPORT, AND IMPORT LICENSES: Buyer shall be responsible for obtaining any licenses or other official authorizations that may be required by the country of importation and/or under the Export Administration Regulations, International Traffic in Arms Regulations, Toxic Substances Control Act, or other applicable laws or regulations.

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