

AYDIN DISPLAYS

Terms and Conditions of Purchase Order

1. CERTIFICATION

Purchaser shall certify on each Purchase Release that the products covered by the Purchase Release are purchased for resale or lease.

2. ORDERS

All delivery dates are subject to acceptance in writing by an authorized representative of AYDIN DISPLAYS.

3. SCHEDULES

- a) Shipping Date: Purchase Orders shall identify desired shipping dates prior to acceptance by AYDIN DISPLAYS.
- b) Delay Liabilities: AYDIN DISPLAYS shall not be liable for delays in delivery or failure to manufacture due to causes beyond its reasonable control. In the event of delay, the date or dates for performance shall be extended for a period equal to the time lost by reason of delay.

4. ACCEPTANCE AND TITLE

Prior to delivery of each product ordered by purchaser pursuant to this Quotation AYDIN DISPLAYS will perform standard factory acceptance test applicable to such product and will certify in writing that the product ordered has satisfied the requirements of said test. Such certification may be in the form of a written certificate or standard AYDIN DISPLAYS quality control stickers or stamps. Records of such tests shall remain available for review by purchaser for at least two years after date of delivery. Purchaser will be deemed to have accepted each such product upon satisfactory completion of testing, and title thereto shall pass to Purchaser upon delivery to the carrier of the product.

Nothing contained in this article will be deemed to limit AYDIN DISPLAYS obligations of Purchaser's rights under Article 7.

5. TERMS OF SHIPMENT

- a) F.O.B. Shipment will be made FOB. AYDIN DISPLAYS' plant unless otherwise proposed.
- b) Packing and charges. AYDIN DISPLAYS packs all products in accordance with standard commercial practices for domestic shipment and will make all shipping arrangements. Unless specified by Purchaser, shipment will be by means deemed most appropriate by AYDIN DISPLAYS. Purchaser will pay all shipping charges, cost of insurance, and any applicable sales and use taxes. If equipment is to be delivered to points outside the United States, the cost of export packing and all export duties, licenses and fees that AYDIN DISPLAYS is required to pay will be reimbursed by the Purchaser.
- c) Risk of Loss. Purchaser shall assume all risks of loss upon delivery to the carrier at AYDIN DISPLAYS plant, and Purchaser shall assume full responsibility for negotiating with the carrier, insurer, or both, in the event of misdelivery, loss or damage. All items shall be examined by the Purchaser for physical damage promptly upon receipt, and AYDIN DISPLAYS shall be notified of damage no later than five days after delivery.

6. TERMS OF PAYMENT

- a) Payment AYDIN DISPLAYS will invoice each article upon shipment. The Purchaser shall make payment within 30 days of date of invoice.
- b) Delay. If payment of invoice for an order, or portion thereof, is delayed beyond 30 days of date of invoice, an interest and handling charge of two percent per month will be added to the total invoice amount.

7. WARRANTY

AYDIN DISPLAYS warrants that for a period of one year from the date of shipment to Purchaser, equipment delivered by AYDIN DISPLAYS shall be free from defects in material and workmanship. This warranty is not applicable to items purchased by AYDIN DISPLAYS and covered by a separate Vendor warranty. Any claim for defect in material or workmanship shall be submitted promptly in writing and shall include an explanation of the circumstances leading to the discovery of said defect. Upon receipt and verification of such claim, AYDIN DISPLAYS shall take reasonable and prompt action to correct such defect by repair or replacement.

AYDIN DISPLAYS' liability under this warranty of materials and workmanship is limited to repair or replacement of defective parts and its liability shall in no case exceed the purchased price of the equipment under the warranty. AYDIN DISPLAYS shall, at its option, repair or replace defective parts, and said repair or replacement shall be at AYDIN DISPLAYS' plant in Birdsboro, Pennsylvania.

If Purchaser wishes AYDIN DISPLAYS to accomplish any corrections or rework at the Purchaser's plant or any other facility designated by the Purchaser, regardless of the responsibility for said defect, Purchaser agrees to compensate AYDIN DISPLAYS at their prevailing Field Engineer man-day rate, plus travel, per diem, and local transportation costs.

If a defect is determined by AYDIN DISPLAYS to be the responsibility of, or caused by the Purchaser, Purchaser's customer or other equipment under the control of the Purchaser, the Purchaser shall pay all repair or replacement costs incurred by AYDIN DISPLAYS.

The Purchaser shall be responsible for return transportation and the safe arrival of all items returned to AYDIN DISPLAYS under this warranty. There are no other warranties, except as to title, expressed or implied, including any warranty of merchantability and/or fitness for a particular purpose.

8. TERMINATION/CANCELLATION

Purchaser shall have the right to delete and cancel equipment scheduled to be delivered under any purchase order accepted by AYDIN DISPLAYS by giving notice of such deletion and cancellation to AYDIN DISPLAYS in writing at any time prior to 60 days before the delivery date of said product; provided that the Purchaser is not in default of its obligation hereunder, and provided, further, that any such cancellation shall not be effective unless Purchaser remits within 10 working days following notice of cancellation, a cancellation charge, as established by the following schedule:

- Standard Units less Options. 20% of price plus the cost of any separately identified onetime engineering charge or charges.
- Standard Units and Options. 20% of price.
- Modified and Special Units. 100% of cost incurred, based on AYDIN DISPLAYS' actual cost, general and administrative expenses, and profit.

9. PATENT INDEMNITY

AYDIN DISPLAYS agrees to defend the Purchaser in any suit brought against it alleging that the products sold hereunder, uncombined with any non-AYDIN DISPLAYS equipment, directly infringe United States Patent owned by others, provided AYDIN DISPLAYS is promptly notified, given assistance required and permitted to direct the defense. Further, AYDIN DISPLAYS will pay any judgment based on such infringement rendered in such by final judgment of a court of last resort, but shall have no liability for settlements or costs incurred without its consent.

If Purchaser's use of such products is enjoined, or in the event that AYDIN DISPLAYS desires to minimize its liabilities hereunder, AYDIN DISPLAYS will, at its option, either substitute other equally suitable articles, modify the products so they no longer infringe, obtain for the Purchaser the right to continue their use, or accept return of the articles. In the latter event, AYDIN DISPLAYS will reimburse to the Purchaser the purchase price, less a reasonable amount for use, damage or obsolescence.

The foregoing constitutes the entire liability of AYDIN DISPLAYS for patent infringement. No indemnity shall apply to equipment made or modified to Purchaser's own specifications or design.

10. CONFIGURATION CONTROLS

AYDIN DISPLAYS shall have full freedom to make engineering changes and to select parts and material so long as compliance of the equipment with the functional specifications is not affected. Form, fit and function will be preserved down to and including the card level.

As product improvements are generated in areas of design, or performance, AYDIN DISPLAYS will so notify the Purchaser, in writing, that a change is available. If Purchaser desires AYDIN DISPLAYS to incorporate the changes, AYDIN DISPLAYS agrees to do so subject to the provisions of Clause 11, "Changes". However, if Purchaser desires to implement said change, AYDIN DISPLAYS agrees to furnish necessary information in the form of Field Change Notice (FCN) less material, at no charge to purchaser.

11. CHANGES

Purchaser may at any time by written notice signed by Purchaser's Buyer or higher procurement authority, make changes or additions within the general scope of this order to the items being purchased, specifications, instructions and work. If any such change, product improvements, or additions varies the cost of, or the time required for performance, the provisions of the purchase order for which these terms are invoked thereunder will be equitably adjusted in writing. Any claim by AYDIN DISPLAYS for such adjustment must be asserted in writing within 30 days after receipt of said change from the purchaser.

12. GENERAL

- a) In no event shall AYDIN DISPLAYS be liable to Purchaser or to Purchaser's end user for any incidental or consequential damages, including without limitation any loss, damage, claim, liability, or expense, of any kind or nature, caused directly or indirectly by the furnishing of services or equipment pursuant to this agreement, or by any interruption of service, or loss of use thereof or for any loss of business or damage to Purchaser whatsoever and howsoever caused.
- b) The provisions of this quotation or any resultant P.O. shall be interpreted in accordance with the internal laws of the Commonwealth of Pennsylvania.

13. NOTICES

Notices and correspondence required by or pertaining to this agreement shall be directed to Aydin Displays' Contracts Manager.

June 8, 2011