

PERIPHERAL DYNAMICS INC.
STANDARD TERMS AND CONDITIONS OF SALE – INTERNATIONAL

EXCLUSIVE AND ENTIRE: The following Standard Terms and Conditions are intended by the parties to govern all the purchases of equipment, parts or service from Seller, and together with the specifications provided or embodied herewith, represent the entire understanding of the parties without exception. All other terms and conditions are specifically rejected, and by proceeding with the transaction in any manner, both Seller and Buyer agree that these Standard Terms and Conditions shall control. The price charged by Seller is based on these Standard Terms and Conditions.

PRICING AND PAYMENT: Prices are firm for the Buyer's purchase order resulting from this purchase. PDI's payment terms are cash in advance of shipment via wire transfer or via an irrevocable Letter of Credit on approved terms. All prices quoted are in U.S. Dollars and are exclusive of taxes, duties, transportation, banking and transfer costs.

PAYMENT BY CREDIT CARD: Credit card payments will be accepted at the sole discretion of Seller. In the event that Buyer makes payment by use of a credit card, the amount of the payment may be surcharged three percent (3%) at the sole discretion of the Seller. By using the credit card as payment means Buyer agrees to that surcharge.

PRODUCT RETURNS: Return of Products purchased hereunder, whether for stock balancing purposes or because such Products are claimed to be defective, shall be governed by Seller's Return Materials Acceptance ("RMA") Guideline policies in effect on the date of purchase (including, but not limited to, a fifteen percent (15%) restocking fee for non-defective items, and requirements that all accessories be returned and original packaging used, and that a RMA number be obtained prior to the return of any goods), or as otherwise provided by Seller to Buyer in writing. Quantity one (1) products may be returned within thirty (30) days of purchase. Multiple unit purchases may not be returned. Seller reserves the right to modify or eliminate such policies at any time. Although Seller's policies may permit Buyer to return Products claimed to be defective under certain circumstances, Seller makes no representations or warranties of any kind with respect to the Products.

WARRANTY: Seller warrants the equipment for a period of twelve (12) months from the date of shipment, that the equipment be free from defects in material or workmanship subject, however, to the following conditions: (a) This warranty shall cover all equipment and parts related thereto except expendable components, such as fuses and indicator bulbs; (b) Buyer shall pay for all postage and handling associated with return of defective material to Seller's designated repair facility; (c) This warranty is contingent upon Buyer's use of the equipment in accordance with Seller's recommended specifications and does not cover equipment after it has been modified or repaired without Seller's approval. Upon expiration of said twelve (12) months, all such liability shall terminate. **IN NO EVENT SHALL SELLER BE LIABLE FOR INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE WHATSOEVER OR LOST PROFITS.**

THE FOREGOING SHALL CONSTITUTE THE SOLE REMEDY OF THE BUYER AND THE SOLE LIABILITY OF THE SELLER AND SHALL BE IN LIEU OF ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PURPOSE.

PATENT INDEMNITY: Seller agrees to indemnify Buyer against any proven claim and assessed liability for infringement of any United States patent arising from the manufacture or sale of any apparatus furnished by Seller to Buyer. **THE FOREGOING STATES SELLER'S ENTIRE LIABILITY FOR CLAIMS OR PATENT INFRINGEMENT.** Seller shall have no liability whatsoever if the claim of infringement arises out of Seller's compliance with Buyer's specifications. Seller shall have no liability whatsoever if a claim of infringement is based upon the Buyer's use of the equipment as part of a patented combination where the other elements of the combination are not supplied by Seller, or in the practice of a patented process. Where the specifications, process, design are supplied by Buyer, then Buyer agrees to indemnify Seller in like manner.

PROPRIETARY RIGHTS: Unless otherwise stated herein all design, manufacturing processes, manufacturing information, vendor sources, know-how, equipment, tooling or other hardware, software, or information (collectively referred to as "resources") acquired or utilized by the Seller to produce the finished goods, and any intellectual property rights, including but not limited to patents, copyrights and trade secrets related in any way to the resources, are and shall hereinafter remain the exclusive property of the Seller, regardless of whether such resources are created solely by the Seller, or by Buyer's collaboration with the Seller, for example, where Seller utilizes Buyer's specifications to create resources, and the Buyer shall acquire or receive no rights or title therein or thereto as a result of this purchase whether or not the order provides for Seller's delivery of technical data, drawings or other information to the Buyer in addition to the finished goods. Unless Seller's prior written consent is given, in no event shall the Buyer permit such data, drawings or information to be: (1) disclosed to any third party other than the Buyer's customer; (2) used by the Buyer or the Buyer's customer for manufacture of like or similar goods; (3) used for purposes of duplicating or reverse-engineering Seller's proprietary designs or processes; or (4) used by a party other than the Buyer or the Buyer's customer for any purpose.

LIMITATION OF LIABILITY: **SELLER'S TOTAL AGGREGATE LIABILITY (ARISING OUT OF OR IN CONNECTION WITH BUT NOT LIMITED TO ANY BREACH OF CONTRACT, NEGLIGENCE, TORT, LIQUIDATED DAMAGES, SPECIFIC**

PERFORMANCE, TERMINATION, CANCELLATION INCLUDING THE REPAYING OF THE CONTRACT PRICE OR PARTS THEREOF, FUNDAMENTAL BREACH, BREACH OF WARRANTIES, MISREPRESENTATION, NONPERFORMANCE, NONPAYMENT, OR ANY OTHER) WHETHER BASED IN CONTRACT, IN TORT, IN EQUITY, ON STATUTE, AT LAW OR ON ANY OTHER THEORY OF LAW, SHALL NOT EXCEED THE PAID CONTRACT PRICE. THE BUYER ACKNOWLEDGES THAT THE REMEDIES PROVIDED IN THIS CONTRACT ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REMEDIES AVAILABLE TO THE BUYER AT LAW, IN CONTRACT, IN TORT, IN STATUTE OR IN EQUITY OR IN ANY OTHER THEORY OF LAWS.

INSURANCE: Buyer represents that they have a program of Insurance which adequately protects their interest, and that of their employees and agents, including damage to plant, property and equipment, personal injury of any kind, directly or indirectly related in any way to the equipment, service, repair or parts supplied by Seller. Accordingly, Buyer waives any claim against Seller for the foregoing, and on behalf of its Insurance Company, any right of subrogation in connection therewith.

SEVERABLE AND INDEPENDENT PROVISION: WITHOUT LIMITING THE FOREGOING, IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT EACH AND EVERY PROVISION OF THIS AGREEMENT THAT PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTIES, OR EXCLUSION OF DAMAGES IS INTENDED BY THE PARTIES TO BE SEVERABLE AND INDEPENDENT OF ANY OTHER PROVISION AND TO BE ENFORCED AS SUCH, FURTHER, IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT IN THE EVENT ANY REMEDY HEREUNDER IS DETERMINED TO HAVE FAILED ITS ESSENTIAL PURPOSE, ALL OTHER LIMITATIONS OF LIABILITY AND EXCLUSION OF DAMAGES SET FORTH HEREIN SHALL REMAIN IN FULL FORCE AND EFFECT. ALL SUCH PROVISIONS SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT. NO ACTION, REGARDLESS OF FORM, ARISING OUT OF THE TRANSACTIONS OF THIS AGREEMENT MAY BE BROUGHT BY BUYER MORE THAN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED.

U.S. EXPORT CONTROLS: All items furnished by Seller to Buyer in connection herewith shall at all times be subject to the export control laws and regulations of the U.S. including, but not limited to, 10 CFR Part 810 and U.S. Export Administration Regulations. Buyer agrees and gives assurance that no items, equipment, materials, service, technical data, technology, software or other technical information or assistance furnished by Seller, or any good or product resulting therefrom, shall be exported or re-exported by Buyer or its authorized transferees, if any, directly or indirectly, unless in accordance with applicable U.S. export laws and regulations. The aforesaid obligations shall survive any satisfaction, expiration, termination or discharge of any other contract obligations.

INSPECTION AND ACCEPTANCE: Buyer may inspect, at its own expense, the equipment at Seller's manufacturing facility or at the point of destination. The equipment shall be deemed accepted unless Seller receives written notice from Buyer within fifteen (15) days after receipt of the equipment by Buyer that the equipment fails to conform to the description and warranties expressed herein.

SHIPMENT: Delivery terms are F.O.B. Seller's manufacturing facility. Seller will package the equipment and parts for normal shipment considering type of items involved and the normal risks encountered in shipments. Dates of delivery are estimates, not a guarantee of particular date of delivery. Seller shall not be liable for such failure or delay when due to an act of God, war, labor difficulties, accident, inability to obtain containers or raw materials, or any other causes of any kind whatsoever beyond the control of Seller. All shipments will be insured for full value unless requested otherwise by Buyer.

SECURITY INTEREST: Seller shall retain and Buyer hereby grants to Seller security interest in the equipment and parts as collateral security for the payment of the purchase price, shipping and other charges. Any security interest granted hereunder shall terminate upon full payment for each interest.

FORCE MAJEURE: If the performance of any part of this contract by Seller is rendered commercially impracticable by reason of any strike, fire, flood, accident, or any other contingency, the non-occurrence of which was a basic assumption of this contract including war, embargo, government regulation, or any unforeseen shutdown of major supply sources or other like causes beyond the control of Seller such as cannot be circumvented by reasonable diligence and without unusual expense, Seller shall be excused from such performance in whole or in part to the extent that it is prevented and for as long a period of time as these conditions render Seller's performance commercially impractical.

APPLICABLE LAW: This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania. The laws govern this agreement and any claims arising hereunder will be pursued in the state court of Montgomery County, Pennsylvania or the USDC for the Eastern District of Pennsylvania. CISG (the Convention for the International Sale of Goods) is expressly rejected.