

TRIAD AUTOMATION, INC.
STANDARD TERMS AND CONDITIONS OF SALE

PRODUCTS AND SERVICES SOLD ARE EXPRESSLY SUBJECT TO THE TERMS AND CONDITIONS SET FORTH HEREIN, NOTWITHSTANDING ANY CONTRADICTORY TERMS OF THE BUYER'S PURCHASE ORDER. NO PERSON HAS THE AUTHORITY TO ALTER THESE TERMS OTHER THAN A CORPORATE OFFICER OF TRIAD AUTOMATION, INC., AND ANY SUCH ALTERATION MUST BE IN WRITING. BUYER'S ACCEPTANCE OF PRODUCTS CONSTITUTES ACCEPTANCE OF THESE TERMS AND CONDITIONS OF SALE.

1. **Pricing.** All prices are F.O.B. shipping point unless otherwise specified.

Quoted prices are subject to addition for federal, state or local taxes, and subject to change if Products are not shipped within 10 days. Otherwise, prices in effect at time of shipment will prevail. It is the obligation of Buyer to provide evidence of sales tax exemption to Triad Automation. Notwithstanding the foregoing, in the event that sales tax is determined to be due upon any purchase, Buyer will pay the amount of such tax to Triad Automation for payment to the appropriate taxing authorities.

2. **Acceptance.** Any Buyer purchase order is subject to approval and acceptance by an authorized representative of Triad Automation at the Servicing Branch or its general office in Browns Summit, North Carolina, and subject to the terms set forth herein. Triad Automation expressly limits its acceptance to these terms. Additional or different terms in Buyer's purchase order shall not be binding on Triad Automation, and are hereby expressly rejected. Buyer agrees to inspect the Products within seventy-two (72) hours after receipt of the Products, and Buyer agrees to promptly notify Triad of any readily-apparent defects or nonconformities. Buyer waives any right to object to such defects or nonconformities later than seventy-two (72) hours after receipt of the Products.

3. **WARRANTIES.** TRIAD AUTOMATION WARRANTS THAT THE PRODUCTS AND/OR SERVICES COVERED HEREBY CONFORM TO THE DESCRIPTION AND SPECIFICATIONS ACCEPTED BY TRIAD AUTOMATION WITH RESPECT TO THE PRODUCTS AND/OR SERVICES, IF ANY. **ALL OTHER WARRANTIES ARE EXCLUDED, WHETHER EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

TRIAD AUTOMATION SHALL NOT BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES DIRECTLY OR INDIRECTLY ARISING OR RESULTING FROM THE BREACH OF ANY OF THE TERMS HEREOF OR FROM THE SALE, HANDLING OR USE OF THE PRODUCTS SOLD OR SERVICES RENDERED. TRIAD AUTOMATION LIABILITY HEREUNDER, FOR BREACH OF WARRANTY, NEGLIGENCE OR OTHERWISE, IS EXPRESSLY LIMITED AT THE OPTION OF TRIAD AUTOMATION:

(A) TO THE REPLACEMENT AT THE AGREED POINT OF DELIVERY OF ANY PRODUCTS FOUND TO BE DEFECTIVE OR NOT TO CONFORM TO THE SPECIFICATIONS SET FORTH HEREIN, (B) TO THE REPAIR OF SUCH PRODUCTS, OR (C) TO THE REFUND OR CREDITING TO BUYER OF THE PRICE OF SUCH PRODUCTS.

TRIAD AUTOMATION IS A DISTRIBUTOR, AND NOT A MANUFACTURER OF PRODUCTS. ACCORDINGLY, ANY WARRANTY OF QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IS THAT OF THE MANUFACTURER ONLY AND **NOT** THAT OF TRIAD AUTOMATION. TRIAD AUTOMATION AGREES TO USE COMMERCIALY REASONABLE EFFORTS TO CAUSE ITS MANUFACTURERS TO FURNISH PRODUCTS THAT WILL BE FREE FROM DEFECTS IN MATERIAL AND WORKMANSHIP, WILL BE FREE FROM PATENT INFRINGEMENT, AND WILL BE MERCHANTABILITY. SHOULD THE PRODUCT FAIL TO MEET ANY MANUFACTURER'S WARRANTY, THEN UPON NOTIFICATION THEREOF AND SUBSTANTIATION THAT THE PRODUCT HAS BEEN STORED, INSTALLED, MAINTAINED AND OPERATED IN ACCORDANCE WITH MANUFACTURER'S RECOMMENDATIONS AND STANDARD INDUSTRY PRACTICE, TRIAD AUTOMATION SHALL ASSIST BUYER IN OBTAINING SUITABLE REPAIR OR REPLACEMENT, OR OTHER REMEDY, AS PROVIDED IN THE APPLICABLE MANUFACTURER'S WARRANTY.

4. **Delivery Terms.** Delivery dates are approximate and are based upon prompt receipt of all necessary information from Buyer. Unless otherwise agreed in writing by Triad Automation, delivery will be made and title will pass to Buyer F.O.B. point of shipment. Expense and risk of loss of transporting the goods shall pass to Buyer at point of shipment.

5. **Delivery in Installments.** Triad Automation reserves the right to make delivery in installments. All such installments shall be separately invoiced and paid for when due, without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve Buyer of the obligations to accept and pay for remaining deliveries.

6. **Payment.** Unless otherwise agreed in writing by an authorized officer of Triad Automation, terms of payment are net payment is due within thirty (30) days of invoice date. U.S. Postal Service post mark shall be determinative. Discounts are not available for payment by credit card or for cash purchases. Should the financial responsibility of Buyer at any time become unsatisfactory to Triad Automation, Triad Automation shall have the right to require payment for any shipment hereunder in advance or, in the alternative, the provision of satisfactory security. If Buyer fails to make payment in accordance with the terms of this Agreement or fails to comply with any provision hereof, Triad Automation may at its option, in addition to any other remedies, cancel any unshipped portion of an order and other pending orders. Buyer shall remain liable for all unpaid accounts. In the event Buyer fails to make payment in accordance with the terms of this Agreement, the account shall be deemed to be delinquent and a late charge of one and one-half percent (1½%) per month will be assessed on the unpaid balance. Buyer agrees to pay all collection costs and expenses, including reasonable attorneys fees, incurred by Triad Automation in collecting or attempting to collect such account.

7. **Freight and Handling.** Unless otherwise provided in writing, freight charges on all shipments, and spotting, switching, demurrage, or drayage at destination are to be paid by Buyer. All incoming shipping and handling charges on all material on which the supplier of said material does not pre-pay or allow freight into Triad Automations' warehouse, and all outgoing shipping and handling charges on all shipments from Triad Automation to Buyer shall be borne by Buyer. Any difference in the amount of freight from that shown on the invoice as being included, is for Buyer's account. Triad Automation reserves the right to designate origin and intermediate carriers. If a specific delivering carrier is required, Buyer must designate such carrier in writing to Triad Automation prior to shipment.

8. **Taxes.** Prices do not include any present or future sales, use, excise, or

similar taxes. All such taxes shall be for Buyer's account.

9. **Delay.** Triad Automation shall not be liable for any failure or delay in manufacture, shipment or delivery of Products resulting from any cause beyond Triad Automations' control, including, but not limited to, provisions of law or governmental regulations, accident, explosion, fire, windstorm, flood or other casualty, strike, lockout, or other labor difficulty, riot, war, terrorist acts, insurrection, shortage of or inability to secure labor, raw materials, production or transportation facilities. Shipping dates are approximate and are based on conditions at the time of quotation. Triad Automation shall not be liable for failure or delay in performance due to prior sale of Products. In the event of such delay, there will be no termination and the date of delivery shall be extended for a period equal to the time lost by reason of the delay.

10. **Cancellation.** No order may be canceled or changed in whole or in part without the prior written consent of Triad Automation. Shipment of Products cannot be extended beyond the original shipping date specified without Triad Automations' consent.

11. **Compliance with Laws.** Triad Automation warrants that it has complied, and will continue during the performance of this order to comply, with the provisions of all applicable federal, state and local laws and regulations from which liability may accrue to Buyer as a result of any violation thereof by Triad Automation. Triad Automation warrants compliance with the Fair Labor Standards Act and the Equal Employment Opportunity Act, as amended, in its performance. Compliance with any federal, state or local procurement regulations, laws, or contract provisions in any form of government contracting by Buyer, shall be solely the responsibility of the Buyer.

12. **Copy of Buyer's License.** Buyer agrees to furnish to Triad Automation a copy of any state license that would cause purchases by Buyer to be free of sales tax. Further, Buyer shall continually furnish copies of such licenses from year to year, as the same are renewed.

13. **Assignment.** Buyer may not assign this Agreement without prior written consent of Triad Automation.

14. **Specifications.** Specifications and instructions are in accordance with directions of Buyer and full responsibility for their correctness is assumed by Buyer.

15. **Claims.** Claims for errors, shortages or defective goods must be made within ten (10) days after receipt of material.

16. **Waiver.** Waiver of any breach of this Agreement shall not be construed as a waiver of any other breach.

17. **Return/Refund Goods Policy.** No Products will be accepted for return without a Triad Automation approved Return Goods Authorization ("RGA"). All returns are subject to a restocking charge. Special ordered or modified Products are not returnable.

18. **Miscellaneous Credits.** Triad Automation may apply any miscellaneous credits to the account of the Buyer, including the off-set of any unpaid invoices, late charges or others amounts due to Triad Automation. Any miscellaneous credits remaining unapplied for one (1) year, may, at the discretion of Triad Automation, be turned over to the appropriate state agency responsible for unclaimed property.

19. **Specification.** In the event that the sale involves the fabrication of any Products by Triad Automation, including without limitation hose or fluid power products, the specifications for such fabrication shall be the sole responsibility of the Buyer.

20. **Nuclear or Other Hazardous Activities.** Unless specifically acknowledged

and agreed in writing by a duly authorized officer of Triad Automation, Products sold hereunder may not be used in connection with any nuclear facility or any other hazardous activity, including without limitation, military, aerospace, missile or other critical application. Buyer agrees to indemnify and hold Triad Automation harmless from any liability that results from Buyer's use that is inconsistent with this paragraph.

21. Products Sold for Buyer's Export. Buyer assumes responsibility and liability for compliance with all U.S. and international laws, treaties and customs rules and regulations applicable to the export of Products by Buyer.

22. Electronic Commerce. Triad and Buyer specifically agree that purchases and sales between them may be conducted electronically in accordance with the North Carolina Uniform Electronic Transactions Act.

23. Modification. Unless Buyer and Triad Automation have specifically executed a supply agreement for the purchase and sale of Products, there are no terms, conditions, understandings or agreements between Buyer and Triad Automation other than those stated herein and all prior proposals and negotiations are merged herein. NO TERMS AND CONDITIONS IN ANY WAY ALTERING OR MODIFYING THE PROVISIONS HEREOF SHALL BE BINDING UPON EITHER PARTY UNLESS IN WRITING AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF SUCH PARTY. NO MODIFICATION OR ALTERATION OF THE PROVISIONS HEREOF SHALL RESULT FROM TRIAD AUTOMATIONS' SHIPMENT OF MATERIAL FOLLOWING RECEIPT OF BUYER'S PURCHASE ORDER, SHIPPING ORDER, OR OTHER FORMS CONTAINING PROVISIONS, TERMS AND CONDITIONS IN ADDITION TO OR IN CONFLICT OR INCONSISTENT WITH THE PROVISIONS HEREOF.

24. Venue; Governing Law. THE BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT JURISDICTION AND VENUE FOR ANY ACTIONS BROUGHT BY EITHER PARTY SHALL BE EXCLUSIVELY IN THE COUNTY AND STATE OF THE TRIAD AUTOMATION SERVICING BRANCH FROM WHICH THE PRODUCT OR SERVICE WAS TO BE PROVIDED. THE PARTIES FURTHER AGREE THAT THE LAW OF NORTH CAROLINA SHALL APPLY. The provisions of the United Nations Convention on Contracts for the International Sales of Goods shall not apply.