



---

## Terms and Conditions of Sale

### 1. SCOPE

The Terms and Conditions ("Terms") contained herein shall apply to all quotations and offers made by and purchase orders accepted by Display Logic USA, hereinafter DLU. These Terms apply to all sales made by DLU except to the extent the Terms conflict with a Sales Agreement signed by DLU and Buyer. These Terms apply in lieu of any course of dealing between the parties or usage of trade in the industry. These Terms may in some instances conflict with some of the terms and conditions affixed to the purchase order or other procurement document issued by the Buyer. In such case, the Terms contained herein shall govern, and acceptance of Buyer's order is conditioned upon Buyer's acceptance of the terms and conditions herein, irrespective of whether the Buyer accepts these conditions by a written acknowledgement, by implication, or acceptance and payment of products ordered hereunder. DLU's failure to object to provisions contained in any communication from Buyer shall not be deemed a waiver of the provisions herein. Any changes in the Terms contained herein must specifically be agreed to in writing signed by an officer of DLU before becoming binding on either party.

### 2. PRICE, TAXES AND QUOTATIONS

Prices are subject to change with thirty days notice to Buyer. Any order that can be cancelled and rescheduled pursuant to paragraph 6 is subject to a price change immediately. All prices are exclusive of any present or future sales, revenue or excise tax, value added tax, turnover tax, import duty (including brokerage fees) or other tax applicable to the manufacture or sale of any product. Such taxes, when applicable, shall be paid by Buyer unless Buyer provides a proper tax exemption certificate. Unless otherwise agreed to in writing by the parties, prices quoted by DLU are those current at the date of quotation and shall be subject to variation by DLU.

### 3. DELIVERY

Unless otherwise agreed in writing, sales are FOB origin. DLU may deliver products in one or more consignment and invoice each consignment separately. DLU reserves the right to ship product that is not subject to cancellation in advance of the agreed shipping date. Unless otherwise agreed in writing, delivery time is not of the essence. Except as specified in 6(b), DLU does not accept liability for any loss arising from delay in delivery of products.

### 4. PAYMENT TERMS

Unless otherwise agreed in writing on a DLU quotation or statement of work, Payment terms shall be net thirty (30) days from the date of invoice. Buyer agrees to pay interest on any unpaid balance at a rate of five percentage points above the annual Federal Funds rate as specified in the Wall Street Journal on the day the balance becomes due. Unless otherwise agreed in writing, all payments are to be in United States dollars. For contracts in Europe, DLU may require payment to be secured by an irrevocable letter of credit or a bank guarantee acceptable to DLU. Where payment is made by letter of credit, all costs of collection shall be for Buyer's account. In the event that DLU is required to bring legal action to collect delinquent accounts, Buyer agrees to pay reasonable attorney's fees and costs of suit.

### 5. NON-CONFORMING DELIVERY AND RISK OF LOSS

Buyer shall notify DLU of any visible defects, quantity shortages or incorrect product shipments within seven (7) days of receipt of the shipment. Failure to notify DLU in writing of any visible defects in the products or of quantity shortages or incorrect shipments within such period shall be deemed an unqualified waiver of any rights to return products on the basis of visible defects, shortages or incorrect shipments, subject to Buyer's rights under Section 7. Seller shall retain a security interest in the products until Buyer's final payment to DLU for the products. Risk of loss and title shall pass to Buyer as soon as the products have been placed with a transport agent.



---

## 6. ORDER CANCELLATION AND RESCHEDULING

(a) Buyers Cancellation: Unless otherwise agreed to in writing on a DLU quotation or statement of work, Buyer may not cancel any order. Buyer may reschedule an order more than thirty (30) days prior to the Confirmed Shipping Date and not for more than 90 days from the original Confirmed Shipping Date with DLU written approval, except that Buyer shall accept delivery of all such products which are completed at the time of cancellation. Those products which are in the work-in-process inventory at the time of cancellation or rescheduling, shall be paid for by Buyer at a price equal to the completed percentage of the product multiplied by the price of the finished product. Buyer also shall pay promptly to DLU the costs of settling and paying claims arising out of the termination of work under DLU's subcontracts or vendors and any accounting, legal, and clerical costs arising out of the cancellation. Holding of inventory due to attempted cancellation, rejection or non-acceptance of product will be subject to interest and holding costs associated with the non-shipment using the terms in paragraph 4.

(b) DLU's Cancellation: DLU shall have the right to cancel any unfilled order without notice to Buyer in the event that Buyer becomes insolvent, adjudicated bankrupt, petitions for or consents to any relief under any bankruptcy reorganization statute, or becomes unable to meet its financial obligations in the normal course of business. Any order that can be cancelled or rescheduled by Buyer pursuant to paragraph 6(a) may be cancelled or rescheduled by DLU if notice is given to Buyer.

## 7. LIMITED WARRANTY

Except as specified below, products sold hereunder shall be free from defects in materials and workmanship and shall conform to manufacturer's published specifications or other specifications accepted in writing by DLU for a period of one (1) year from the date of shipment of the products unless otherwise agreed to in writing on a DLU quotation or statement of work. The foregoing warranty applies to products used for commercial applications only, unless otherwise specified in the Buyer's purchase order and does not apply to any products which have been subject to misuse, neglect, accident or modification or which have been soldered or altered such that they are not capable of being tested under normal test conditions. DLU shall make the final determination as to whether its products are defective. DLU's sole obligation for products failing to comply with this warranty shall be, at its option, to either repair, replace or issue credit for the nonconforming product where, by the expiration of the warranty period, (i) DLU has received written notice of any nonconformity; (ii) after DLU's written authorization, Buyer has returned the nonconforming product to DLU; and (iii) DLU has determined that the product is nonconforming and that such nonconformity is not the result of improper installation, repair or other misuse. THE FOREGOING WARRANTY AND REMEDIES ARE EXCLUSIVE AND MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED, IMPLIED OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. DLU DOES NOT ASSUME OR AUTHORIZE ANY OTHER PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH ITS PRODUCTS. Buyer shall pass this warranty to any third-party purchaser of DLU products.

## 8. LIMITED LIABILITY

(a) Neither DLU nor Buyer shall be liable for incidental or consequential damages, including but not limited to, the cost of labor, requalifications, rework charges, delay, lost profits, or loss of goodwill arising out of the sale, installation or use of any DLU product. If DLU has any liability for breach of contract, breach of any implied condition, warranty or representation, the aggregate liability of DLU to Buyer shall be limited in respect of any occurrence or series of occurrences to the contractual value of the products or services that are the subject of the contract.

(b) DLU assumes no liability for the sale of obsolete parts which may or may not be refurbished, unless otherwise noted in the buyer's purchasing document and acknowledged by DLU, in writing.



---

9. Intellectual Property. DLU Retains all Intellectual Property of products supplied to buyer: The sale of any products hereunder does not convey any license by implication, estoppel or otherwise covering combinations of the products with other equipment data or programs. The company retains the copyright in all documents, catalogs and plans supplied to Buyer pursuant to or ancillary to the contract. Unless otherwise agreed in writing, Buyer shall obtain no interest in any tooling, art work, design, schematic, process, method or trade secret used in the production of any DLU product. Buyer agrees to not reverse engineer or attempt to copy DLU products themselves or through a third party, or supply DLU product to any company where the purpose is to obtain DLU intellectual property through the use or examination of DLU product.

#### **10. LIFE SUPPORT**

DLU's products are not authorized for use as critical components in life support devices or systems without the express written approval of an officer of DLU. As used herein: (a) Life support devices or systems are devices which (i) are intended for surgical implant into the body, or (ii) directly support or sustain life and whose failure to perform when properly used can be reasonably expected to result in significant injury to the user; (b) a critical component is any component in a life support device or system whose failure to perform can be reasonably expected to cause the failure of the life support device or system or to affect its safety or effectiveness.

#### **11. CONFIDENTIAL INFORMATION**

Except as required by law, neither party shall use (except for purposes connected with the performance of its obligations hereunder), divulge or communicate to any third party any information of the other it reasonably knows to be confidential.

#### **12. FORCE MAJEURE**

DLU shall not be liable for any damage or penalty for delay in delivery or for failure to give notice of delay when such delay is due to the elements, acts of God, acts of the Buyer, act of civil or military authority, war, riots, concerted labor action, shortages of materials, or any other causes beyond the reasonable control of DLU. The anticipated delivery date shall be deemed extended for a period of time equal to the time lost due to any delay excusable under this provision.

#### **13. EXPORT REGULATIONS**

Buyer agrees to comply fully with all laws and regulations concerning the purchase and sale of products. In particular, Buyer agrees to comply with the Export Administration Regulations of the United States in so far as they apply to the sale of products. The products are licensed by the United States for delivery to the ultimate destination as shown on the shipment/invoice address and any contrary diversion is prohibited.



---

#### **14. ASSIGNMENT AND SUBCONTRACTING**

DLU shall be entitled at all times to assign its rights under an order (in whole or in part) or to subcontract any part of the work or services to be provided under the order as it deems necessary or desirable.

#### **15. NOTICES**

Any notice hereunder shall be deemed to have been given if sent by prepaid first class mail to the party concerned at its last known address. Notice to DLU shall be to the regional sales office in the territory or to Display Logic USA; 40-3 Oser Ave; Hauppauge, NY 11788, USA.

#### **16. WAIVER**

Failure by DLU to exercise or enforce any rights hereunder shall not be deemed to be a waiver of any such right nor operate so as to bar the exercise or enforcement thereof at any time or times thereafter.

#### **17. ENTIRE AGREEMENT**

These Terms constitute the entire agreement between the parties relating to the subject matter herein and supersedes all prior and contemporaneous agreements, representations and understandings. No waiver or amendment hereof shall be binding unless signed in writing by the parties. If any term or provision herein is held invalid or unenforceable, the remainder of these Terms will not be affected and will be valid to the fullest extent permitted by law. Any statute, rule or doctrine regarding the interpretation of contracts against a particular party shall not apply hereto.

#### **18. APPLICABLE LAW**

Unless otherwise agreed in writing, the terms and conditions contained herein shall be governed by and construed under the laws of the State of New York, USA.