

- 1) **DEFINITIONS**
 - a) "buyer" - the company notated in the "ship to"
 - b) "seller" - the vendor of the product that is being exchanged
 - c) "goods" - all materials, assemblies, printed data (manuals, etc.) and services provided by the seller
- 2) **ACCEPTANCE**

This document becomes a binding contract at order acceptance. Any change, modification or revision to this document must be approved, in writing, by both parties. Purchase orders are subject to credit approval prior to acceptance. Any additional documents (specifications, ICDs, etc.) that accompany this document and/or specified on the face of the document are for the purpose of defining the standard product. The face document succeeds any inconsistencies that exist between these terms and conditions and/or the additional documents.
- 3) **PAYMENTS**
 - a) Buyer shall pay invoice issued – Net 30 from ship date, Net 45 for Canada and Net 60 for international.
 - b) Effective January 1, 2017, a 1.5% late fee will be assessed to invoices outstanding more than 20 days past Customer's allotted Net Terms. This fee will be added to your statement and must be paid within 15 days of the statement date. Failure to pay outstanding fees and invoices repeatedly will result in a stop ship of materials until all dues are paid in full.
- 4) **TITLE AND RISK OF LOSS**
 - a) Title and risk of loss or damage to the product shall pass to Buyer at the time Seller delivers the product to a carrier and/or freight forwarder without regard to notification of shipment or selection of carrier.
- 5) **PRICE**
 - a) Duration of price validity shall be notated on the face of the document.
 - b) Should the prices of raw materials, services, packaging & shipping increase by more than 5%, SCD.USA reserves the right to revise pricing accordingly.
 - c) Prices do not include sales, use, excise or any other such tax foreign or domestic.
 - d) Prices do not include import/export duties.
- 6) **TAXES & DUTIES**
 - a) All applicable taxes shall be paid by the buyer.
 - b) All import/export duties shall be paid by the seller.
- 7) **PACKING, MARKING & SHIPPING**
 - a) Goods shall be packed utilizing best commercial practices and in a manner that is sufficient to secure the lowest transportation cost and prevent damage during transport and storage including, but not limited to, water or electro static discharge damage.
 - b) Labelling and marking shall be in accordance with all applicable transportation regulations as well as the buyer's requirements.
 - c) Shipments shall be FOB origin.
 - d) Shipment dates are affected by production schedules and limitations and are therefore subject to change.
 - e) Shipping documents should contain the buyer's order number.
 - f) Each container/package should have an individual packing list attached to the outside in a plastic sleeve.
- 8) **EXPORT LAWS**

The goods are subject to U.S. Government export laws and regulations. Buyer shall not export, re-export, or transfer the goods of Proprietary information received from SCD.USA without first obtaining the appropriate U.S. Government approvals. SCD.USA will cooperate with the buyer to obtain any export license the buyer seeks, but obtaining such licensing shall be the exclusive responsibility of the buyer and SCD.USA makes no representation or warranty regarding the issuance of export licenses for the goods.
- 9) **CHANGES, CANCELLATIONS**
 - a) The buyer may request changes to place of delivery and/or methods of packing/shipping via a written change order no less than 30 days prior to shipment. If the requested changes cause an increase/decrease in cost, an equitable adjustment will be made to both price and delivery schedule. If the requested change occurs within the 30 day window, both price and delivery schedules will need to be revised accordingly.
 - b) The buyer may request changes to quantities, delivery dates and/or drawings, designs or specifications via a written change order no less than 60 days prior to shipment. If the requested changes cause an increase/decrease in cost, an equitable adjustment will be made to both price and delivery schedule. If the requested change occurs within the 60 day window, both price and delivery schedules will need to be revised accordingly.
 - c) Should buyer determine after receipt of product that the buyer ordered the incorrect product and/or configuration; the buyer will be accountable for all costs associated with return and resale of said product to the market. These costs will be covered utilizing a restocking fee based upon the value of the order.
 - d) Both buyer and seller reserve the right to cancel the agreement should either party breach any of the provisions or if either should become insolvent or the subject of any proceedings under any law relating to bankruptcy or the relief of debtors.
 - e) Should the buyer cancel this agreement and take delivery of a quantity less than the original specified quantity, a higher unit price will be applied retroactively in accordance with Seller's published price for the quantity actually delivered.
 - f) Should the buyer cancel the agreement for convenience, the buyer shall be responsible for all customized materials procured, all completed units in stock at time of cancellation and any assemblies in process.
- 10) **DELIVERIES, DELAYS, FORCE MAJEURE**
 - a) Delivery schedule deviations must be authorized in writing.
 - b) Should the seller fail to meet the delivery schedule and expedited shipping is required, the seller agrees to assume all excess shipping costs.
 - c) Neither party shall be liable for delays due to causes beyond its reasonable control or without its fault or negligence, including without limitation, acts of God or of the public enemy, acts of the government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, explosions, riots, war, rebellion, terrorism, sabotage and unusually severe weather.
 - d) Should the delay be caused by a subcontractor due to causes beyond reasonable control stated above, no party shall be liable for any excess cost unless the supplies and services to be furnished were obtainable from other sources in sufficient time to meet the required delivery schedule.

11) INSPECTION

Seller maintains that all products sold have been inspected in accordance with standard government / commercial inspection practices. As such, the seller maintains an effective quality assurance system for control of equipment, materials, assembly, testing, packaging and shipping.

12) WARRANTIES

- a) Seller warrants that the product furnished hereunder will be free from defects in material, workmanship and performance and will conform to applicable specifications, drawings, samples and designs provided and/or approved by the buyer.
- b) Warranties remain in effect 12 months after product is delivered to buyer. The warranty period is extended for the time elapsed for the seller to repair and/or replace defective product.
- c) Damage incurred from abuse, neglect or mishandling of product is not covered under warranty and will be subject to costs represented in the M&R Repair Table.

13) ESD (ELECTROSTATIC SENSITIVE DISCHARGE) HANDLING REQUIREMENTS

- a) Conductive wrist straps should be worn at all times when handling product.
- b) Protective clothing containing conductive material should be worn at all times when handling product.
- c) Any activity (i.e. incoming inspection, assembly & test, integration, etc.) should be performed on an ESD protected work bench only
- d) ESD flooring or anti-static mats should be used in all areas (receiving, storage, shipping, lab, etc) where product will be handled

14) PROPRIETARY AND INTELLECTUAL PROPERTY

All technical and commercial information and ideas which SCD.USA has supplied or shall supply the buyer, excluding public domain information or property in the buyer's possession in tangible form before receiving such information from SCD.USA ("Proprietary information"), is proprietary to SCD.USA and disclosed to the buyer in confidence for the limited purpose of assisting the buyer in the evaluation of use of SCD.USA's products. The buyer shall not, without SCD.USA's prior written consent, disclose or make available such Proprietary information to any other person or use such Proprietary information, except for such limited purpose. All Proprietary information shall be returned to SCD.USA on demand, and, in any event, when no longer needed by the buyer in connection with SCD.USA products. In addition to SCD.USA's other remedies, the buyer agrees that any benefit or property derived by the buyer from any unauthorized use of Proprietary information shall be the sole and exclusive property of SCD.USA. Sale of products to the buyer does not convey license, implied or otherwise, under any patent, copyright, trademark or trade secret in which SCD.USA has an interest, nor does it convey rights to any descriptive data, including but not limited to drawings, schematics, software, secrets, processes, or tooling.

15) INDEMNITY

Buyer shall indemnify and hold harmless the seller, its suppliers and their officers, employees, agents and invitees from and against all claims, judgements, liabilities, losses, injuries and damages relating to any work done, materials

delivered, or the operations and techniques employed in connection with and arising from anything done by the negligence and/or violation of any applicable laws, acts or regulations of the buyer.

16) LIMITATION OF LIABILITY

Seller shall NOT assume responsibility for or be liable for damages or penalties for indemnification of buyer for costs, damages or expenses related to any loss, injury or other damages from any accidental and/or incidental negligence by the buyer in the handling and/or integration of the seller's product.

17) NO REVERSE ENGINEERING

It is an express condition of this contract that the buyer shall neither reverse engineer, decompile, deconstruct, disassemble, synthesize, or extract any element of and/or otherwise discover Proprietary information, nor request nor accept any disclosure of Proprietary information from a third party who reverse engineers, decompiles, deconstructs, disassembles, synthesizes, or extracts any element of and/or otherwise discovers Proprietary information, nor otherwise attempt to derive Proprietary information contained or embodied in SCD.USA products. In the event that the buyer breaches any obligation set forth in the preceding sentence, or otherwise misappropriates or makes unauthorized use of SCD.USA Proprietary information, any intellectual property resulting or deriving from the breach (es) shall be for SCD.USA's benefit and SCD.USA shall be the sole and exclusive owner of that intellectual property. The buyer will execute an assignment of invention (s) in the form approved by SCD.USA, for any intellectual property arising from a breach of this Section 16. The aforementioned provisions shall in no way be considered to abridge, supplant or otherwise limit other legal or equitable remedies available to SCD.USA for such breaches, and SCD.USA may seek redress for such breaches to the fullest extent allowable by law. The obligations in this Section 16 shall survive termination of this contract.

18) GOVERNING LAW

The law governing this agreement shall be the law of the State of Florida.

19) DISPUTES

All disputes between the parties hereto which can not be settled by agreement may be finally settled by litigation before the courts of the State of Florida. Pending resolution of any such dispute by settlement or by final judgement, the parties will proceed diligently with performance.

20) SITE VISIT AND RECORD RETENTION

SCD.USA and/or any statutory/regulatory agency shall have right to access any facilities involved in fulfilling the order as well as all applicable records. Records should be retained a minimum of 5 years.

21) FLOW DOWN REQUIREMENTS

If applicable, Federal Acquisition Regulations (FAR), Defense Federal Acquisition Regulations (DFAR) and flow down requirements will be supplied in addition to the SCD.USA Infrared General Terms and Conditions.