



STANDARD TERMS AND CONDITIONS OF SALE

ALL GOODS AND SERVICES OFFERED BY PANTRON AUTOMATION, INC. (HEREAFTER REFERRED TO AS "SELLER"), ARE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH BELOW. ANY ADDITIONAL OR DIFFERENT TERMS OR CONDITIONS IN BUYER'S PURCHASE ORDER OR PURCHASING CONTRACT ARE OBJECTED TO AND SHALL NOT BE BINDING ON SELLER UNLESS AGREED TO IN WRITING BY A PANTRON CORPORATE OFFICER. BUYER'S ACCEPTANCE OF SHIPMENT OR PAYMENT FOR THE GOODS CONSTITUTES ACCEPTANCE OF SELLER'S TERMS AND CONDITIONS. ALL AGREEMENTS REACHED BETWEEN THE SELLER AND BUYER FOR THE PURPOSE OF IMPLEMENTING THIS CONTRACT SHALL BE STIPULATED IN WRITING WITHIN THIS CONTRACT. THESE GENERAL TERMS AND CONDITIONS SHALL ALSO APPLY TO ALL FUTURE TRANSACTIONS WITH THE BUYER.

PRICES, TAXES: Due to fluctuation in the European market, SELLER reserves the right to change price quotes without prior notice. SELLER's prices do not include any sales, use, excise, value-added or other taxes and such taxes shall be billed as a separate item and paid by the BUYER. A standard shipping charge is applied to each invoice for goods to cover the material preparation, packaging, freight and/or any additional costs associated with the shipment based on the value and/or weight of the shipment

SHIPPING: All orders are carefully packaged and shipped by UPS or FedEx ground unless otherwise specified on the BUYER's purchase order.

WARRANTIES: Goods are sold only with such warranties as may be extended by the manufacturer of the product. SELLER makes no warranty and any and all implied warranties of merchantability or fitness are hereby excluded. BUYER is responsible for installation and use in accordance with manufacturer's instructions. SELLER parts are NOT intended for personal safety and should NEVER BE USED TO PROTECT THE PERSONAL SAFETY OF AN INDIVIDUAL.

PAYMENT TERMS: SELLER's terms of payment are NET thirty (30) days. BUYER shall pay SELLER all costs incurred by it in collecting any past due account from BUYER, including, but not limited to, all court costs and attorney's fees. However, if the foregoing charges exceed that rate which is the maximum permitted by law, then such charges shall be calculated to be the highest allowable lawful rate. Payments and other adjustments must reference the invoice number to assure proper credit.

ASSIGNMENT OR DELEGATION: BUYER shall not assign or delegate any or all of its duties or rights hereunder without SELLER's prior written consent.

COMPLIANCE: SELLER warrants that all items and services sold shall have been produced, sold, delivered and furnished in strict compliance with all applicable Federal, State and local laws and regulations.

PATENT INDEMNITY: SELLER warrants that the sale or use of the merchandise covered by this order does not infringe upon any patent, trademark, or copyright.

CREDIT BALANCE: Any credit balance issued will be applied within one (1) year. If it is not applied within one (1) year, the balance remaining shall be cancelled and SELLER shall have no further liability except as required by applicable law.

DELIVERY: All sales of goods are considered FOB point of shipment (Belmont, NC) unless otherwise noted, and in all cases, title shall pass upon delivery to the carrier at the point of shipment and thereafter all risk of loss or damage shall be upon BUYER. Delivery dates given in advance of actual shipment of goods are estimates and shall not be deemed to represent fixed or guaranteed delivery dates.

CHANGE IN BUYER'S FINANCIAL CONDITION: SELLER reserves the right to cancel orders or require payment in advance in the event of: (i) BUYER's insolvency, (ii) the filing of a voluntary petition in bankruptcy, (iii) the appointment of a trustee or receiver for BUYER, or (iv) The execution by BUYER of an assignment for the benefit of creditors. SELLER reserves the right to suspend its performance until payment or adequate assurance of performance has been received. SELLER also reserves the right to cancel BUYER's credit at any time for any reason. BUYER, in order to provide security for the payment of the full price of goods furnished hereunder grants SELLER a security interest in the goods and the proceeds thereof. Title to the goods shall remain in SELLER, and goods furnished by SELLER shall not become a fixture by reason of being attached to real estate, until paid in full. BUYER agrees to execute any documents or furnish information necessary to perfect this security interest. A copy of the invoice may be filed at any time as a financing and/or chattel mortgage, in order to perfect SELLER's security interest.

EQUAL OPPORTUNITY AND LABOR PRACTICES: SELLER does not recruit or employ child labor. SELLER adheres to the Federal Child Labor Provisions of the Fair Labor Standards Act (FLSA) and North Carolina Youth Employment Provisions of the Wage and Hour Act (WHA) For Nonagricultural Occupations. SELLER does not use forced or involuntary labor. Employees are treated fairly according to the laws of North Carolina and Federal Regulations. No employee shall be discriminated against due to age, disability, race/color, religion or sex.

CONFIDENTIALITY: The SELLER shall not disclose any information concerning this order (including any information acquired from BUYER arising from the performance of this order) to any third party.

GENERAL: All orders are subject to acceptance by SELLER. Any representation affirmation of fact and course dealing, promise or condition in connection therewith or usage of trade not incorporated herein, shall not be binding on either party. If any provision hereof shall be unenforceable, invalid or void for any reason, such provision shall be automatically voided and shall not be a part of this agreement and the enforceability or validity of the remaining provisions shall not be affected hereby.



STANDARD TERMS AND CONDITIONS OF SALE

LIMITATION OF LIABILITY: SELLER's liability on any claim for loss or damage arising out of this contract or from the performance or breach thereof, or connected with any goods or services supplied hereunder, or the sale, resale, operation or use of goods, whether based on contract, warranty, tort (including negligence) or other grounds, shall not exceed the price allocable to such goods or services or part thereof involved in the claim, REGARDLESS OF CAUSE OR FAULT. This limitation of liability reflects a deliberate and bargained-for allocation of risks between SELLER and BUYER and constitutes the basis of the parties' bargain, without which SELLER would not have agreed to the price or terms of this contract. SELLER shall not, under any circumstances, be liable for any labor charges without its prior written consent.

SELLER SHALL NOT IN ANY EVENT BE LIABLE whether as a result of breach of contract, warranty, tort (including negligence) or any other grounds FOR INCIDENTAL SPECIAL OR CONSEQUENTIAL DAMAGES including, but not limited to, loss of profits or revenue, loss of use of goods or associated products, cost of capital, cost of substitute products, facilities or services, downtime costs, or claims of customers of BUYER for such damage. If SELLER furnishes BUYER with advice or other assistance regarding any goods or services supplied hereunder, or any system or equipment in which any such goods may be installed, and which is not required pursuant to this contract, the furnishing of this advice or assistance will not subject SELLER to any liability, whether based on contract, warranty, tort (including negligence) or other grounds.

SUBSTITUTIONS/INTERCHANGEABILITY: SELLER reserves the right to substitute, with notice to the BUYER, an equivalent product for the product ordered wherein the available product is based on form, fit and function. Restricted substitutions must be specified on BUYER's purchase order.

EXPORT CONTROLS: In performing the obligations of any Purchase Order issued hereunder, vendor/subcontractor will comply with all applicable export, import and sanctions laws, regulations, orders and authorizations, as they may be amended from time to time, applicable to the export (including re-export) or import of goods, software, technology, (collectively, technical data) or services, including without limitation the Export Administration Regulations (EAR), International Traffic in Arms Regulations (ITAR), and regulations and orders administered by the Treasury Department's Office of Foreign Assets Control (collectively, Export/Import Laws). Accordingly, to the extent the obligations of the vendor/subcontractor hereunder involves access to information classified by the U.S. Government as "Confidential" or higher, the provisions of all applicable federal law, statutes and regulations shall apply. The provisions of all applicable security and export control laws, statutes and regulations shall also apply hereto.

SHORTAGE/OVERAGES: Incorrect shipments with shortages or overages should be identified within two (2) weeks of the shipment date.

CANCELLATION AND RETURNS: The BUYER may cancel an order by mutual agreement if the item is a normally stocked item. A return material authorization (RMA) number must be obtained from the SELLER prior to returning parts. Authorized returns shall be returned at BUYER's sole expense, freight prepaid. Parts must be in resalable condition and a 15% restocking fee will be deducted from the credit issued to the BUYER at the SELLER's discretion. Special order and non-stock items are non-returnable. No returns shall be accepted following 60 days after delivery. No credit will be issued for shipping charges or other special expenses.

FORCE MAJEURE: SELLER shall not be liable for failure to deliver or for delay in delivery or performance due to (i) cause beyond its reasonable control; (ii) an act of God, act of omission of BUYER, act of civil or military authority, governmental priority or other allocation or control, fire, strike or other labor difficulty, riot or other civil disturbance, insolvency or other inability to perform by the manufacturer, delay in transportation, or (iii) any other commercial impracticality. If such a delay occurs, delivery or performance shall be extended for a period equal to the time lost by reason of delay.

WAIVER, CHOICE OF LAW AND DISPUTE RESOLUTION: The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition will not constitute a waiver of that right or excuse any subsequent nonperformance of any such term or condition by the other party. These terms and conditions shall be construed in accordance with the laws of the State of North Carolina, and the rights and obligations created hereunder shall be governed by the laws of the State of North Carolina. Any controversy or claim arising out of or relating to any transactions hereunder, or any breach thereof shall be settled at Charlotte, North Carolina in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and shall be administered by an arbitrator appointed by the SELLER.

Please sign and return this form stating that you have read and agree to the terms listed on both pages of the "Standard Terms and Conditions of Sale" for Pantron Automation, Inc. Toll-free FAX number 1-800-293-7530

ACCEPTED BY _____ (Date) _____

(PRINT NAME) _____