



AIT is a Division of  
**TERADYNE**

## GENERAL TERMS AND CONDITIONS OF SALES

This document sets forth the terms and conditions of sale and/or acknowledgment ("Terms" or "Acknowledgment") of the original purchaser's ("Buyer") purchase order for products ("Goods") manufactured or provided by Avionics Interface Technologies, a Division of Teradyne Inc. (hereafter referred to as AIT), and/or its affiliates ("AIT"). These Terms may only be waived or modified in a written agreement signed by any authorized representative of AIT. ANY ADDITIONAL OR DIFFERENT TERMS, WHETHER IN BUYER'S PURCHASE ORDER OR OTHER COMMUNICATIONS PERTAINING TO BUYER'S ORDER, ARE HEREBY DEEMED TO BE MATERIAL ALTERATIONS, AND NOTICE OF OBJECTION TO THEM AND REJECTION OF THEM ARE HEREBY GIVEN. NEITHER AIT'S ACKNOWLEDGMENT OF THE PURCHASE ORDER, NOR AIT'S FAILURE TO OBJECT TO CONFLICTING, CONTRARY OR ADDITIONAL TERMS AND CONDITIONS IN BUYER'S PURCHASE ORDER SHALL BE DEEMED AN ACCEPTANCE OF SUCH TERMS AND CONDITIONS, OR A WAIVER OF THE PROVISIONS HEREOF. UNLESS OTHERWISE STATED IN A PREVIOUSLY EXECUTED WRITTEN PURCHASE AGREEMENT BETWEEN AIT AND BUYER COVERING THE SPECIFIC GOODS THAT ARE THE SUBJECT OF BUYER'S PURCHASE ORDER, AIT'S ACCEPTANCE OF BUYER'S PURCHASE ORDER IS MADE EXPRESSLY CONDITIONED UPON BUYER'S ASSENT TO THESE TERMS AND CONDITIONS OF SALES. These Terms establish the rights, obligations and remedies of AIT and Buyer which apply to Buyer's order accepted by AIT herein ("Agreement") for the purchase of Goods. **Buyer's acceptance and assent to these Terms shall be conclusively deemed (notwithstanding any terms contained in any prior or later communication from a Buyer's terms) from a) Buyer's receipt of this Acknowledgment without written objection within three (3) business days of receipt of this Acknowledgment, b) Buyer's instructing AIT to begin work or to ship any Goods after receipt of this Acknowledgment or c) Buyer accepting of all or any part of the Goods, making payments or ordering any products from AIT having previously received these Terms.**

**1. INSPECTION; ACCEPTANCE** – Inspection and acceptance of the Goods shall be the Buyer's responsibility. Buyer shall promptly inspect and accept any Goods after receipt of such Goods. In the event the Goods do not conform to the applicable Goods specifications or purchase order, such as obvious defects, Buyer shall promptly notify AIT of such nonconformance in writing and AIT shall have a reasonable opportunity to repair or replace the nonconforming Goods at its option. Buyer is deemed to have accepted the Goods and to have waived any such nonconformance in the event such written notification is not received by AIT within ten (10) days after delivery of the Goods. To the extent any defects and damages are not discoverable during the above acceptance and inspection period, Buyer's sole remedy for such discovered defects shall be set forth in Section "Limited Warranty" below.

**2. DELIVERY** – Buyer acknowledges that delivery dates provided by AIT are estimates only, and that AIT is not liable for failure to deliver on such dates. AIT shall make reasonable efforts to meet Buyer's delivery requirements. In the event AIT is more than thirty (30) days' late against AIT's acknowledged ship date, Buyer's sole remedy is to cancel the applicable purchase order.

**3. EXPORT CONTROL** – Buyer is hereby informed that the Goods and related technical data and information (collectively "AIT Technology") provided by AIT hereunder are subject to United States ("U.S.") export control laws, orders and regulations, including without limitation, those enforced by the Office of Foreign Asset Control of the U.S. Department of Treasury, the Bureau of Industry Security of the U.S. Department of Commerce and the International Traffic in Arms Regulations enforced by the U.S. State Department (collectively "Regulations"), and may be subject to export or import regulations in other countries. These Regulations are available to Buyer and the public on these U.S. agencies websites and are subject to change from time to time by these same agencies. Buyer agrees to comply strictly with all such Regulations when re-exporting or otherwise shipping, transferring or transmitting AIT Technology, and will not engage in any transactions in connection with AIT Technology that would be prohibited by these Regulations. Without limiting the foregoing, Buyer shall not sell, transfer or otherwise make available any AIT Technology to a) any person or company who is a legal resident or is controlled by a legal resident identified on the U.S. Department of Commerce's Denied Person or Entity List, the U.S. Department of Treasury's Specially Designated Nationals or Blocked Person Lists, or the Department of State's Debarred Parties List, as published and revised from time to time on these agencies websites; b) to any U.S. sanctioned or embargoed country; or c) any party if it knows or suspects that AIT Technology will be used in the design, development, production or use of nuclear weapons, ballistic missiles chemical/biological weapons or proliferation or are destined for a facility engaged in such activities. Buyer acknowledges its responsibility to obtain a license to

export, re-export or import as may be required. AIT may suspend performance or terminate this Purchase Order if Buyer is in violation of applicable regulations.

**4. FORCE MAJEURE** - Neither party shall be liable to the other for any delay or failure to perform its obligations hereunder (except the payment of sums due) to the extent caused by an event beyond such party's reasonable control, including but not limited to strikes, stoppage of work, delays by suppliers or subcontractors, embargoes, government regulations, delays or refusals to grant an export or import license or the suspension or revocation thereof or any acts of any government, fire, floods, severe weather conditions or any other acts of God, quarantine, public enemies, war, acts of terrorism or acts of civil or military authority ("Force Majeure event"). If such an event occurs, the affected party shall give immediate written notice to the other party. In the event AIT is the affected party, AIT's time of performance of any such obligations shall be extended for the time period of such delay or AIT may elect to suspend performance hereunder for the duration of the Force Majeure event or terminate the affected purchase order or agreement without penalty and without being deemed in default or in breach thereof.

**5. HAZARDOUS/TOXIC SUBSTANCES** - AIT shall provide Buyer with any Material Safety Data Sheets (MSDS) applicable to the Goods offered hereunder upon Buyer's request.

#### **6. INFRINGEMENT INDEMNITY**

6.1. AIT agrees to defend Buyer, from and against any third party's suits, claims, actions or proceedings alleging that Buyer's use of the Goods infringes or misappropriates such third party's United States patent, copyright, or other proprietary rights, and AIT agrees to reimburse Buyer for any damages finally awarded against Buyer by a court of competent jurisdiction that may result from any such third party claim; provided, (a) Buyer notifies AIT promptly in writing of the claim; (b) AIT has the sole control of the defense and all related settlement negotiations; and (c) Buyer provides AIT (at AIT's request and reasonable expense) with all necessary assistance, information and authority to perform these duties. This entire Section "INFRINGEMENT INDEMNITY" states the sole obligation and exclusive liability of AIT and Buyer's sole and exclusive remedy for any infringement claims and actions.

6.2. This indemnity does not extend to any claim of infringement based on or arising from (i) AIT's compliance with Buyer's designs, specifications or instructions; (ii) modification, alteration or enhancement of the Goods by Buyer or any other third party; (iii) the combination or use of the Goods furnished hereunder with materials or components not provided or specifically specified by AIT; or (iv) the use of any version of software other than the latest commercially available version of the software made available to Buyer to the extent the infringement would have been avoided by use of such version. At any time after an infringement claim has been made, or AIT believes is likely to be made or such Good is finally found to be an infringement and Buyer is enjoined from its use, AIT shall, at its option and using commercially reasonable efforts, either:

- (a) Obtain for Buyer the right to continue using such Goods with no additional cost to Buyer; or
- (b) Replace or modify such Goods, while retaining comparable functionality; or
- (c) Accept the return of the Goods and refund the purchase price less a pro-rated portion for use of the Goods.

**7. PRICES AND PAYMENTS** - Unless otherwise agreed to by AIT in writing, all prices are in U.S. Dollars and are based on delivery EXW. Price is exclusive of all applicable Taxes (as defined in Section "TAXES" below), freight charges, insurance and brokerage fees. Payment shall be made in U.S. Dollars. Payment term is subject to AIT's credit approval. Where approved, Buyer shall pay for the Goods in full thirty (30) days from date of invoice, without regard to delays for inspection or transportation and notwithstanding any order for services to be performed. For locations outside of U.S. or Canada, Buyer may prepay, or if the Order is over \$10,000 USD, pay by means of an irrevocable letter of credit, drawn or confirmed by a U.S. bank in favor of AIT, with drafts payable at sight, unless otherwise agreed in advance by AIT. All bank charges incurred by the opening bank and charges to effect payment to AIT in U.S. Dollars shall be Buyer's responsibility. Overdue payments shall bear interest of one and one-half percent (1.5%) per month or the maximum rate allowable by law.

**8. QUALITY; GENUINE PARTS** - AIT utilizes quality assurance procedures consistent with ISO 9001.2008 and AS9100 Revision C, and shall provide evidence of such compliance upon Buyer's request. AIT Goods may contain parts procured from Independent Distributors who comply with established AIT policy and procedures to ensure quality. Buyer's policies, requirements, restrictions or limitation in connection with genuine parts or counterfeit parts shall not apply with respect to any Goods or services purchased in connection with this Purchase Order. Any Buyer's contract with the government for space, defense and aerospace (SDA) custom and semi-custom products where specified methods to ensure genuine parts is required shall be mutually agreed upon in writing between the Buyer and AIT, subject to any statutory or regulatory requirements.

**9. LICENSE; INTELLECTUAL PROPERTY OWNERSHIP** - As between AIT and Buyer, Buyer acknowledges and agrees that AIT owns and continues to own all right, title and interest to all Intellectual Property Rights (hereinafter defined) to the software, technology, designs, engineering details, schematics and similar data relating to or incorporated in the Goods, all improvements, updates, upgrades, modifications, derivative works derived there from (whether or not the updates/upgrades, improvements, modifications or derivative work is paid for by Buyer) and all materials and documentation related to each of the foregoing. No title to or ownership of any Intellectual Property Rights to any of the foregoing is transferred to Buyer. Buyer acknowledges and

agrees that its use of the Intellectual Property Rights in and/or derived from the Goods, pursuant to these Terms shall not give the Buyer any right, title or interest in or to the Intellectual Property Rights in the Goods. By virtue of these Terms the Buyer does not acquire any rights in the Goods other than the right to use the same as expressly permitted by these Terms. Buyer shall take reasonable precautions to prevent unauthorized access and use of the software and documentation by third parties. To the extent permitted by relevant law, Buyer shall not, nor allow any third party to copy, decompile, disassemble or otherwise reverse engineer the Goods or attempt to do so. Buyer is prohibited from, and shall prevent any third party from, removing, covering or altering any of AIT's patents, copyright, trademarks notices placed upon, embedded in or displayed by the Goods or their packaging and related materials. AIT reserves all rights not specifically granted to Buyer hereunder. If a purchase order includes software or any product which may contain or consist of software or other intellectual property, such software or other intellectual property is licensed and not sold to Buyer, subject to Buyer's acceptance of all the terms and conditions contained in the software user license agreement, the terms and conditions of which are set forth in the license agreement accompanying such software or other intellectual property. "Intellectual Property Rights" means any patent, copyright, trade name, trademark, service mark, mask works, trade secret, know-how, or any other intellectual property right or proprietary right, whether registered or unregistered and whether now known or hereafter recognized in any jurisdiction.

**10. LIMITATION OF LIABILITY** – THE REMEDIES PROVIDED HEREIN ARE THE BUYER'S SOLE AND EXCLUSIVE REMEDIES. IN NO EVENT SHALL AIT BE LIABLE TO BUYER OR ANY PARTY CLAIMING THROUGH BUYER FOR ANY INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST REVENUES OR PROFITS, LOST BUSINESS OPPORTUNITY, LOST DATA, EQUIPMENT DOWNTIME, OR DAMAGES RELATING TO BUYER'S PROCUREMENT OF SUBSTITUTE PRODUCTS OR SERVICES, WHETHER IN AN ACTION IN CONTRACT, TORT (INCLUDING STRICT LIABILITY), BREACH OF WARRANTY, OR OTHERWISE, ARISING OUT OF OR IN CONNECTION WITH THE GOODS OR THE PROVISION OF SERVICES HEREUNDER, EVEN IF EACH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCEPT FOR LIABILITY FOR PERSONAL INJURY OR PROPERTY DAMAGE ARISING FROM AIT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, IN NO EVENT WILL AIT'S TOTAL CUMULATIVE LIABILITY IN CONNECTION WITH ANY ORDER HEREUNDER OR AIT'S PRODUCTS, FROM ALL CAUSES OF ACTION OF ANY KIND, INCLUDING TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY AND BREACH OF WARRANTY, EXCEED ALL AMOUNT PAID BY BUYER HEREUNDER IN THE TWELVE (12) MONTHS PRECEDING THE CLAIM. SOME JURISDICTIONS DO NOT ALLOW CERTAIN LIMITATIONS OR EXCLUSIONS OF LIABILITY, SO THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY. BUYER ACKNOWLEDGES THAT THE FOREGOING LIMITATIONS ARE AN ESSENTIAL ELEMENT OF THE AGREEMENT BETWEEN THE PARTIES AND THAT IN THE ABSENCE OF SUCH LIMITATIONS, THE PRICING AND OTHER TERMS SET FORTH IN THIS AGREEMENT WOULD BE SUBSTANTIALLY DIFFERENT.

**11. PURCHASE ORDERS** - All purchase orders are subject to acceptance by AIT. Except as stated in "DELIVERY", purchase orders accepted by AIT may not be canceled, rescheduled or changed except with AIT's prior written consent, which consent may be given by AIT in its sole discretion. Buyers may contact AIT Customer Assistance Center at (402) 763-9644, or toll-free in the USA at (866) 246-1553 for any questions concerning their orders.

**12. RETURN OF GOODS** - Any return of Goods will be subject to AIT's prior consent and must be made pursuant to AIT's return procedures then in effect. Any Goods accepted by AIT for return must be returned, transport prepaid, to AIT's facility in original boxes and packing material, unless otherwise agreed by AIT. The Goods shall be returned to AIT at the risk and responsibility of Buyer.

**13. SHIPPING; FREIGHT COSTS** – AIT may ship the Goods from any of its factory locations or its suppliers' factory location. Goods will be shipped "best way", unless specified otherwise in Buyer's purchase order. Unless agreed in advance by AIT, shipment terms are EXW. All freight and transportation charges shall be the responsibility of the Buyer. In the event AIT prepays transportation charges, Buyer shall be obligated to reimburse AIT upon receipt of an invoice for such charges. Goods are packed and marked by AIT in containers suitable for prevention of damage under normal commercial air or ground transportation and in accordance with the requirements of the carrier.

**14. SUPPORT** - Technical telephone support and on-site support are not included with purchases of Goods hereunder. Such support services are available for purchase by contacting AIT at (402) 763-9644, or toll-free in the USA at (866) 246-1553.

**15. TAXES** - Price of Goods is exclusive of all applicable sales, use, excise, value added, and similar taxes, customs fees, duties, surcharges and other charges levied by any governmental authority (collectively "Taxes"), Buyer is responsible for the payment of all such Taxes, except for taxes based solely upon the income of AIT. Buyer shall pay all costs, including collection costs, penalties, and interest, associated with its non-payment of such Taxes. If Buyer claims an exemption from any or all of the Taxes, it shall first provide AIT with a validly issued exemption or resale certificate acceptable to the appropriate taxing authority.

**16. TERMINATION** - AIT reserves the right, by written notice of default, to cancel or indefinitely suspend an accepted purchase order if: (i) Buyer defaults in the performance of its obligations hereunder, or otherwise breaches the contract, (ii) Buyer ceases business operations or enters into any bankruptcy, insolvency, receivership or like proceeding not dismissed within thirty (30)

days, or assigns its assets for the benefit of creditors, or (iii) when obtaining third-party financing in connection with Buyer's Product purchase(s) fails to do so in a timely manner on terms satisfactory to AIT.

**17. TITLE AND RISK OF LOSS** – Title (except for Software) and risk of loss of the Goods shall pass to Buyer upon delivery EXW.

## **18. LIMITED WARRANTY**

18.1 Hardware – AIT warrants, for a period of twelve (12) months from AIT's date of shipment, the Goods shall be free from defects in material, and workmanship under normal use and service, and shall conform to and perform substantially in accordance with AIT's published specifications in effect at the time of shipment. AIT further warrants that the Goods shall be free and clear of all liens and encumbrances and shall have good and valid title at the time of shipment by AIT. This warranty shall survive inspection, acceptance, and payment by Buyer. AIT does not warrant that the operation of the Goods shall be uninterrupted or error free or meet Buyer's intended use or purpose. AIT's warranty does not cover failures caused by acts of God, including electrical or environmental conditions; abuse, negligence, accident, damage in transit; or improper site preparation.

18.1.1. This warranty shall be null and void in the event (i) Buyer or any third party repairs or attempts repair of the Goods without AIT's advance written authorization; or (ii) defects are the result of repairs, modifications, alterations, improper or inadequate maintenance by Buyer or third party; or (iii) damages to said Goods are caused by Buyer or third party-supplied software, interfacing or supplies; or (iv) of improper use (including termination of non-certified third party equipment on AIT's proprietary interfaces and operation outside of the product's specifications) by Buyer or third party; or (v) the Goods are shipped to any country other than that originally specified in the Buyer's purchase order.

18.1.2. Buyer's sole remedy for a breach of the foregoing Goods warranty, whether express or implied, howsoever arising, shall be as set forth in this Section. Goods not meeting the foregoing warranty during the warranty period shall be repaired or replaced, at AIT's option, upon return of such Goods to AIT's factory; provided, however, that Buyer has first obtained a return materials authorization ("RMA") number from AIT authorizing such return. Buyer may obtain an RMA number by contacting AIT at (402) 763-9644, or toll-free in the USA at (866) 246-1553. Buyer shall place the RMA number on the exterior packaging of all returns. Buyer shall be responsible for the shipping costs to ship the Goods to AIT and AIT shall pay for shipping costs to return the repaired or replacement Goods to Buyer. Repaired or replaced portion of the Goods shall be warranted for the remainder of the unused warranty term or for ninety (90) days from shipment, whichever is longer.

18.2. Software Media - AIT warrants that the accompanying media shall be free from defects in materials and workmanship under normal use for a period of ninety (90) days from date of shipment. The physical media warranty does not apply to defects arising from misuse, theft, vandalism, fire, water, acts of God or other similar perils. AIT shall not be liable for any damages caused by the Buyer's failure to fulfill its responsibilities as stated above. Buyer's sole and exclusive remedy and AIT's entire liability for a breach of the foregoing warranty shall be for AIT, at its option to replace the Software media, or if unable to replace the Software media, then to refund the license fee paid for the Software.

18.3. THE FOREGOING WARRANTY SHALL BE THE ONLY WARRANTY WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SHALL BE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON INFRINGEMENT HOWSOEVER ARISING. WHERE LEGISLATION IMPLIES IN THIS AGREEMENT ANY CONDITION OR WARRANTY AND THAT LEGISLATION VOIDS OR PROHIBITS PROVISIONS IN A CONTRACT WHICH EXCLUDE OR MODIFY THE OPERATION OF THAT CONDITION OR WARRANTY, THE CONDITION OR WARRANTY IS DEEMED TO BE INCLUDED IN THIS AGREEMENT. HOWEVER, AIT'S LIABILITY FOR BREACH OF THE CONDITION OR WARRANTY WILL BE LIMITED AT AIT'S OPTION TO REPLACE OR REPAIR THE GOODS. TO THE EXTENT ANY OF THE FOREGOING LIMITED REMEDY FINALLY FAILS ITS ESSENTIAL PURPOSE, AIT'S TOTAL LIABILITY TO BUYER FOR SUCH BREACH SHALL BE LIMITED TO THE ACTUAL PRICE PAID BY BUYER FOR THE DEFECTIVE GOODS AND SUBJECT TO THE "LIMITATION OF LIABILITY" SECTION.

**19. U.S. Government Order** – If Buyer's order is placed under a contract with the U.S. Government, AIT agrees to comply with those contract provisions and regulations, which pursuant to law, it must comply and of which the Buyer has, at the time of order placement, placed AIT on notice. In no event will the United States Government Cost Accounting Standards Apply unless expressly agreed to in writing by AIT. All rights in technical data and software owned or licensed by AIT or the licensee are hereby reserved and deemed restricted or limited. No provisions of Buyer's contract with the government will be binding on AIT except as expressly agreed to in writing by AIT.

## **20. GENERAL**

20.1. **Arbitration** - Disputes hereunder shall be settled by binding arbitration under the rules and auspices of the American Arbitration Association then in effect. Such arbitration shall occur in the Commonwealth of Massachusetts. Judgment upon award(s) rendered by the arbitrator may be entered in any court having jurisdiction.

- 20.2. **Assignment** - purchase orders, payments, warranties and other rights or obligations hereunder may not be assigned or delegated by the Buyer without prior written consent of AIT. Without limiting the generality of the foregoing, these Terms shall be binding upon and shall inure to the benefit of the parties' respective successors and assigns.
- 20.3. **Attorneys' Fees And Costs** - In the event of litigation arising out of any order hereunder, the prevailing party shall be entitled to reimbursement of reasonable attorneys' fees and costs in addition to any other relief awarded.
- 20.4. **Choice Of Law** – Orders hereunder shall be governed by and construed under the laws of the Commonwealth of Massachusetts, without regard to its conflicts of law provisions. The United Nations Conventions on Contracts for the International Sale of Goods are expressly excluded when interpreting orders hereunder.
- 20.5. **Delays** - In the event either party has knowledge of an event or circumstance that will prevent or threatens to prevent its timely performance hereunder, it shall immediately notify the other party in writing.
- 20.6. **Entire Agreement** - These Terms constitute the entire agreement between the parties relating to the subject matter hereof, and supersede all prior oral or written proposals, understandings, representations, warranties, covenants, and communications between the parties, and may not be explained or governed by any prior course of dealings between AIT and Buyer or by trade custom or usage.
- 20.7. **Language** - The language of these terms and all notices, communications and proceedings regarding these Terms shall be in English.
- 20.8. **Notices** - Notice to any party required or permitted hereunder will be deemed to have been duly given on the day of service if served personally, on the day following the day on which notice is deposited with an overnight courier service having package tracking capability, or on the fifth (5th) day after mailing prepaid certified mail. Buyer's notice address shall be its address appearing on the accepted purchase order. AIT's notice address shall be: Avionics Interface Technologies, L.L.C., 3703 N. 200<sup>th</sup> St., Elkhorn, NE 68022, USA.
- 20.9. **Severability** - Any provision or portion hereof deemed to be invalid, illegal or unenforceable by a court of competent jurisdiction, shall not affect any other provision and the remainder of these Terms shall continue in full force and effect.
- 20.10. **Survival Of Obligations** - Such terms that are intended by their meaning to survive termination hereof will survive such termination.
- 20.11. **Waiver** - The waiver by either party of a breach of any provision hereunder shall not operate or be construed as a waiver of any subsequent breach of that or any other provision.