

SML TERMS AND CONDITIONS

THESE TERMS CONTROL. Buyer's acceptance of goods and/or services shall constitute acceptance of these terms and conditions. Terms or provisions of Buyer's order that are inconsistent with or in addition to SML's terms and conditions shall not be binding unless accepted in writing by SML. SML's failure to object to any provision contained in a communication from Buyer shall not be a waiver of these terms and conditions. If any terms or conditions of sale are declared by an arbitrator, or court or other body having jurisdiction, to be invalid or unenforceable, the remaining terms and provisions shall remain in full force and effect. This transaction shall be governed by the laws of the state of California, U.S.A.

DELIVERY AND RISK OF LOSS. Domestic delivery shall be F.O.B. origin. Title and risk of loss shall pass to Buyer when products are delivered to Carrier unless otherwise agreed to in writing by SML. Upon request by Buyer, SML shall prepay and invoice Buyer for freight and shipping/handling and insurance costs. International orders shall be FOB factory or origin. Freight and insurance for international shipments may be provided for a fee upon request. No order is assignable without SML's prior written approval.

PAYMENT. 100% of the invoiced amount is due within 30 days from date of invoice on approved credit, unless otherwise stated in writing by SML. SML may modify payment terms if, in its sole opinion, the payment record or financial condition of Buyer warrants. Late payments are subject to 1.5% interest per month on the unpaid balance. Prices exclude any tax or duty now or hereafter imposed upon the production, storage, sale, transportation, or use of the products.

FOR INTERNATIONAL SALES, payment terms are subject to the following conditions: Letter of Credit - Payment shall be made by an Irrevocable Letter of Credit issued in favor of SML Corporation, as beneficiary, to be advised, confirmed and payable at the counters of the U.S. negotiating bank. The Letter of Credit must be opened 60 days prior to the acknowledged ship date with validity held 45 days past such date and must be payable at sight in Dollars for 100% of the amount invoiced. Transshipment and partial shipments shall be allowed. Documentary Collection - All documents permitting usual clearance will be forwarded to the draft processing bank at destination. Cash in Advance Payment may be by wire transfer to SML Corporation. Payment must include estimated shipping and transportation services charges, unless shipped freight collect. Overpayment of such charges shall be refunded.

CANCELLATION. Orders may not be canceled or rescheduled without SML's written consent and are subject to cancellation, restocking or reschedule charges

EXPORT REGULATIONS. The sale of SML products and technology is subject to and contingent upon compliance with U.S. Export Administration Regulations. All international orders are contingent upon approval of export licenses required by the Government. The use, sale, reexport, delivery or retransfer, directly or indirectly, of the items described herein, in or to any activities related to the design, production, use, or stockpiling of chemical, biological or nuclear weapons or missiles is strictly prohibited.

EXCUSABLE DELAYS. SML shall not be liable for non-delivery or delay in performance when such delay is directly or indirectly caused by, or in any manner arises from, delay or failure to deliver by SML's

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suppliers, fires, floods, accidents, riots, war, governmental interference or embargoes, strikes or shortage of labor, or other causes (whether or not similar to those specified) beyond its control. Delivery shall be deemed suspended so long as such causes delay performance. SML agrees to make, and Buyer will accept, deliveries at a reasonable time after remedy of such causes. Quoted weeks ARO are approximate.

DESIGN CHANGES. SML and its suppliers reserve the right to change product design or specifications at any time without notice.

SOFTWARE. Normally SML or its Suppliers usually grants a perpetual, non-exclusive license to Buyer to use ordered software on a single unit of product. Title to software shall remain in SML or its Suppliers. The license may be terminated if Buyer discloses the software to others without SML's or its Suppliers consent. Back-up copies of the software may be made and buyer may with written permission and possible fees sublicense the software along with the transfer of said single unit of product. Because of the different in Suppliers requirements Its Best to request an accrual copy of the particular Suppliers terms relating to their software at time of order..

LIMITED WARRANTY & LIMITATION OF LIABILITY. Each SML's or its Suppliers product is warranted to be free from defects in material and workmanship under normal use and service. The warranty period is controlled by the documents furnished with each product and begins on the date of shipment. Parts, product repairs and services are warranted for 90 days. This warranty extends only to the original buyer or end-user customer of SML or its Supplier and does not apply to fuses, disposable batteries or to any product which, in SML's or its Suppliers opinion, has been misused, altered, neglected or damaged by accident or abnormal conditions of operation or handling. SML or its Suppliers warrants that software will operate substantially in accordance with its functional specifications for 90 days and that it has been properly recorded on non-defective media. SML or its Suppliers do not warrant that it will be error free or operate without interruption. SML as a authorized resellers shall have no authority to extend a greater or different warranty on behalf of its Suppliers. Warranty support is available if product is purchased through SML as an authorized reseller. SML reserves the right to invoice Buyer for importation costs of repair/replacement parts when product purchased in one country is submitted for repair in another country.

SML or its Suppliers warranty obligation is limited, at SML or its Suppliers option, to refund of the purchase price, free of charge repair, or replacement of a defective product returned within the warranty period. To obtain warranty service, contact SML for a return authorized number or information regarding direct shipment to the manufacture send the product, with a description of the difficulty, postage and insurance prepaid (FOB Destination), to the authorized Service Center. SML and Its Suppliers assumes no risk for damage in transit.

Following warranty repair, the product will be returned to Buyer, transportation prepaid (FOB Destination). If SML or its Supplier determines that the failure was caused by misuse, alteration, accident or abnormal condition of operation or handling, SML or its Supplier will provide an estimate of repair costs and obtain authorization before commencing the work. Following repair, the product will be

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returned to the Buyer, transportation prepaid and the Buyer will be billed for the repair and return transportation charges (FOB Shipping Point). THIS WARRANTY IS BUYER'S SOLE AND EXCLUSIVE REMEDY AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. SML OR ITS SUPPLIERS SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR LOSSES, INCLUDING LOSS OF DATA, WHETHER ARISING FROM BREACH OF WARRANTY OR BASED ON CONTRACT, TORT, RELIANCE OR ANY OTHER THEORY. SINCE SOME COUNTRIES OR STATES DO NOT ALLOW LIMITATION OF THE TERM OF AN IMPLIED WARRANTY, OR EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, THE LIMITATIONS AND EXCLUSIONS OF THIS WARRANTY MAY NOT APPLY TO EVERY BUYER.

GOVERNMENT CONTRACTS. If Buyer's order cites a U.S. Government contract number or is certified under DPAS, the following Federal Acquisition Regulation (FAR) and DFAR Clauses are incorporated by FAR Part 12 where applicable and as may be required by government statute, regulation and/or contract.