

**PANNIER CORPORATION  
TERMS & CONDITIONS OF SALE**

1. **GOVERNING LAW.** The sale between Seller and Buyer shall be governed by the Uniform Commercial Code in effect in Pennsylvania, except as modified by Seller's terms and conditions. Any cause of action arising out of this sale and/or contract shall be brought in a court of competent jurisdiction in Pittsburgh, Pennsylvania.
2. **ACCEPTANCE.** Seller's acceptance of Buyer's order or proposal is expressly conditioned on Buyer's assent to Seller's terms and conditions and Seller rejects any terms of Buyer's order or proposal which conflict with or add to them. Buyer's acceptance of product shall constitute assent to these terms.
3. **MINIMUM ORDER.** USD \$100.00 net minimum billing, excluding freight.
4. **TAXES.** In the absence of proper exemption certificates forwarded to Seller by Buyer, Seller shall collect from Buyer all applicable sales or use taxes, or other proper taxes or governmental charges, imposed by any governmental authority including, but not limited to, federal, state or municipal authorities, upon the production, sale and/or shipment of product, whether currently existing or hereafter becoming effective prior to delivery of product. Seller's price as quoted does not include such taxes, unless expressly stated.
5. **DELIVERY & RISK OF LOSS.** Unless otherwise stated, Seller shall select the method of transportation and routing for product sold F.O.B. Glenshaw, PA, and shipment may be made freight collect. Title to and risk of loss of product will pass to the Buyer after Seller delivers the product to the carrier at the shipping point.
6. **PAYMENTS.** Buyer shall make payments at par in legal tender of the United States of America, net 30 days from date of invoice. Each shipment is to be considered a separate sale. If at any time the financial responsibility of Buyer shall become impaired or unsatisfactory in the opinion of Seller, Seller may require cash payment on delivery or satisfactory security. If Buyer fails to make arrangements for payment, as Seller should require, Seller may withhold shipment or terminate the contract.
7. **LATE PAYMENT.** Late payment shall be considered a fundamental breach of the contract. In the case of late payment, Seller may assess late payment charges at a rate not to exceed the maximum allowed by law. Buyer shall be liable to Seller for the amount of attorney's fees or other costs incurred by Seller for collection of payment from Buyer.
8. **WARRANTY.** Unless otherwise stated, Seller makes no warranties in regard to any product sold hereunder, except that such product shall conform to its specifications in effect at the time of shipment; that it will convey good title thereto; that the product shall be delivered free from any lawful security interest or lien or encumbrance unknown to Buyer. SELLER MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO PRODUCTS AND SELLER DISCLAIMS ALL OTHER WARRANTIES, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE.
9. **REMEDIES.** Seller's maximum liability and Buyer's exclusive remedy for any cause of action arising out of Buyer's purchase of product from Seller and/or this contract, including negligence, breach of contract or strict liability in tort, is expressly limited, at Seller's option, to repair or replacement of or reimbursement of the purchase price of the product with respect to which damages are claimed, whether such claim is in respect to product delivered or failure of product delivery. Any claim not confirmed in writing to Seller shall be deemed waived. Seller shall not be liable for loss of use or profit, or any other special, incidental, consequential, indirect, exemplary, punitive or any similar damages regarding any cause of action arising out of Buyer's purchase of product from Seller and/or this contract.
10. **RETURNS.** No product shall be returned to Seller without Seller's return authorization number and shipping instructions.
11. **RESTOCKING CHARGE.** Buyer shall pay a 20% restocking charge on all product returned, unless after inspection Seller determines that product did not meet Seller's standard manufacturing specifications.
12. **INSTALLATION AND MAINTENANCE.** Price for product does not include the cost of installation and maintenance, unless specifically stated.
13. **CANCELLATION.** After product is in progress, Buyer may cancel purchase only with the express written consent of Seller and subject to an agreed upon cancellation fee.
14. **PRODUCT HAZARDS.** Buyer acknowledges that the product may have certain hazards, that it is familiar with such hazards and has taken steps to inform, warn and familiarize its employees, contractors and customers who may handle the product, of such hazards. Buyer purchases product solely at Buyer's risk and assumes all risk and liability for the use, storage and handling of product.
15. **TECHNICAL ADVICE.** Buyer understands that any technical or safety advice furnished by Seller regarding product is supplied without consideration and accepts such advice at its sole risk. Seller assumes no obligation or liability for the accuracy or sufficiency of advice given or results obtained.
16. **FORCE MAJEURE.** Neither party to this contract and sale shall be liable for damages or otherwise to the other party hereto for any delay or failure to perform under this contract (other than to make payments when due hereunder) if delayed or prevented from performing by natural calamity, industrial disturbance, declared or undeclared war, law, regulation, ruling, order or action of any governmental authority, shortage or unavailability of product to be sold and purchased under this contract from the source(s) of supply or at the point(s) of origin from which shipments are normally made hereunder due to reductions in plant runs, plant shutdown, plant turnaround, shortage, unavailability or delay in delivery of other supplies of material necessary in the manufacture of product to be sold and purchased under this contract or other cause or any other cause or causes beyond such party's control whether similar or dissimilar to those stated above. Seller may, during any period of shortage due to any of said causes, prorate its supply of such goods among all its buyers in such manner as Seller may deem equitable. Seller shall not be required to make up quantities of product which are not delivered during such period of force majeure, anticipated or encountered shortage, allocation program or other restriction and Seller shall have no liability to Buyer as a result of such product quantity reduction.
17. **INTELLECTUAL PROPERTY RIGHTS.** All intellectual property rights in product and anything, including tools, specifications, drawings, software, firmware and technology, developed in connection with product and/or this contract shall remain the property of Seller.
18. **PATENTS.** Seller shall indemnify, defend and hold Buyer harmless from and against any and all damages suffered by Buyer in any suit for infringement of a U.S. Patent by the product brought in a U.S. court, provided that the Buyer promptly notifies Seller of the claimed infringement, permits Seller to assume the defense thereof and cooperates with Seller in the defense of the action. If product is furnished under special specifications of the Buyer not customarily followed by Seller, there will be no patent warranty given and no liability under this paragraph to Seller, and further, in such event, Buyer shall hold Seller harmless, to the same extent and under the same conditions as stated in the first sentence of this paragraph with the position of Buyer and Seller reversed.
19. **REQUIRED CLAUSE.** Any clause that is required to be included in a document of this type by any applicable law or administrative regulation having the effect of law shall be deemed to be incorporated herein.
20. **ASSIGNMENT.** This contract shall extend to and be binding upon the parties hereto, their respective heirs, successors and assigns; provided that Buyer shall not assign, sell or otherwise transfer this contract, in whole or in part, without the prior written consent of Seller.
21. **STANDARD FORMS.** To the degree that either or both of the parties find it convenient to employ their standard forms of purchase order or acknowledgement of order in administering the terms of this contract, they may do so; but none of the terms and conditions printed or otherwise appearing on such form shall be applicable except to the extent that it specifies information required to be furnished by either party.

**ADDITIONAL TERM AND CONDITIONS APPLICABLE TO CUSTOM PRODUCT SALES**

22. **CHANGES.** All change orders must be in writing and agreed upon by Buyer and Seller. Change orders or tardy submission of software/format requirements shall not delay invoicing on the original product order or relieve Buyer of payment liability.
23. **INSPECTION/ACCEPTANCE.** Applicable if contract contains Buyer's requirement to inspect and/or inspect product prior to shipment. Following notification of product completion, Buyer shall have fifteen (15) days to inspect product and notify Seller of any alleged defect or nonconformance. If Buyer fails to inspect or give notice to Seller of any alleged defect or nonconformance within this time period, Buyer will be deemed to have accepted the product as is and waived any claim Buyer may have against Seller with respect to defect or nonconformance discoverable then. Seller shall invoice Buyer immediately after the fifteen day time period. Delays by Buyer shall not delay invoicing or relieve Buyer of payment liability.
24. **INSTALLATION.** Installation shall be considered timely if done within sixty (60) days of product shipment. Delays by Buyer shall not delay invoicing or relieve Buyer of payment liability.