



HAN-TEK, INC. TERMS AND CONDITIONS

ISO 9001:2008 Registered

1 General. The following terms, together with those set forth in any purchase order ("Purchase Order") executed by Seller and Buyer (including Seller's Warranties which are in addition to those in Section 9 hereof) constitute the sole terms and conditions governing Buyer's purchase of the products described in the Purchase Order and the matters described herein. No changes or modifications to the Purchase Order or these Terms and Conditions shall be deemed effective unless in writing and executed by the parties hereto.

2 Purchase Orders. Each binding Purchase Order is hereby incorporated into and made a part of these Terms and Conditions. No Purchase Order which has been executed by Seller and Buyer may be cancelled by Seller except with Buyer's written agreement and on the condition that Seller indemnify Buyer in full against all Losses (as defined in Section 10 hereof) incurred by Buyer as a result of the cancellation, including any consequential loss. In the event of a conflict between these Terms and Conditions and the Purchase Order, the Purchase Order shall control.

3 Change Orders. If, following execution of these Terms and Conditions, Buyer wishes to request a change in the product ordered, the quantity ordered, or the time or method of shipment (a "Change Order"), Buyer shall do so in writing. Seller shall advise Buyer in writing, in advance, of any increase in the purchase price for the product ordered and/or any change in the scheduled date of shipment, resulting from such Change Order. A Change Order shall only be effective when signed by Seller and Buyer.

4 Payment Terms. Buyer shall pay Seller the purchase price in accordance with the schedule set forth in the Purchase Order, or within forty-five (45) days following delivery and acceptance of the product, if the due date is not set forth in the Purchase Order.

5 Delivery. Seller shall deliver the product in accordance with Buyer's shipment instructions or as set forth in the Purchase Order. Time shall be of the essence for the performance of Seller's obligations hereunder.

6 Inspection. Upon delivery and inspection and start-up of product or a system of which product is a part, Buyer shall inspect and accept or reject the product. If upon inspection Buyer demonstrates that the products are defective (e.g., not operating according to specifications, not of merchantable quality, or fit for the purpose for which they were sold), Seller will either rectify the defect, or repair or replace the products. Where neither of these courses is practicable, Seller shall provide Buyer, at Buyer's option, a refund or credit equal to the purchase price of the products. If Seller fails to do, Buyer may have the product repaired or replaced and Seller shall be liable for all costs and expenses incurred.

6.1 On-Site Inspection. The seller agrees that Han-Tek or its customer may perform on-site verification of this product to the supplied specification prior to shipment.

7 Installation; Training. If specified in the Purchase Order, Seller shall assist Buyer with installation and/or testing of the product. The criteria for both initial and final acceptance, if any, and the obligations of Seller and Buyer in connection with installation and testing shall be as described in the Purchase Order. Any training obligations of Seller shall also be described in the Purchase Order.

8 Acceptance. With respect to products which have been installed and/or tested as described under Sections 6 and 7 hereof, the product will be deemed accepted upon Buyer's written acceptance of the product which shall not occur until Buyer's Customers (defined below) accept the product and the system that the product is a part. With respect to all other delivered products, the product will be deemed accepted after expiration of the inspection period described in Section 6 hereof, unless Buyer has notified Seller that the product is not operating properly or is defective.

9 Warranties.

9.1 Seller represents and warrants to Buyer that each product furnished hereunder and any component part thereof will be (a) in conformance with the specifications for such products, (b) in all respects new, unless otherwise specified, (c) of the best quality of its respective kind, free from faulty workmanship, material or design, and (d) otherwise sufficient to fulfill any operating conditions specified by Buyer.

9.2 Seller shall, at Buyer's election, replace, repair any item or component part thereof found not to be in conformity with the preceding paragraph or refund the amount paid by Buyer for any item or component part thereof found not to be in conformity with the preceding paragraph provided Buyer notifies Seller of such nonconformity within two (2) years after use or within thirty (30) months after delivery and acceptance, whichever occurs first, unless a longer period is provided for in the Purchase Order. In the event Seller fails to proceed diligently to so replace or repair within a reasonable time after receipt of such notice but not more than seven (7) days, Buyer may undertake or complete such replacement or repair at Seller's expense.

10 Indemnity. Seller hereby agrees to indemnify, defend, and hold harmless Buyer, and Buyer's affiliates, and their respective officers, directors, members, employees, agents, representatives, and Customers from all claims, demands, damages, penalties, costs, judgments, and expenses, including reasonable attorneys' fees (collectively, "Losses"), based on a claim that any product delivered hereunder, or Buyer's use, possession, sale, or transfer thereof, infringes or otherwise violates the patent, copyright, trademark, trade secret, or other proprietary right of any third party. Buyer agrees to render whatever assistance it reasonably can in the way of information and access to records for the defense of any such suit at Seller's expense.

11 Termination.

11.1 Buyer may terminate any Purchase Order or part thereof by written notice to Seller if Seller: (a) fails to make deliveries or to complete performance of its obligations hereunder within the time specified or in accordance with agreed schedules; or (b) makes an assignment for the benefit of creditors, becomes insolvent, ceases or threatens to cease to carry on business, or is subject to proceedings under any law relating to bankruptcy, insolvency, or the relief of debtors, including but not limited to, appointment of a receiver.

11.2 Buyer shall not be or become liable to Seller or any third party claiming through or under Seller for any portion of the price of any items Buyer elects not to accept following notice of termination for default.

11.3 Buyer may terminate a Purchase Order for its convenience in whole or in part by giving [two (2)] days advance written notice to Seller. In the event of such termination, Seller may claim its reasonable costs incurred prior to the effective date of termination; provided, however, that the total sum payable upon termination shall not exceed the Purchase Order price reduced by payments previously made.

11.4 Unless expressly terminated pursuant to these Terms and Conditions, the obligations of the parties contained in Sections 2, 9, 10, and 13 hereof, and any other provision that by its nature survives termination, shall survive termination of these Terms and Conditions.

12 Independent Contractors. Nothing in these Terms and Conditions shall be construed to create any partnership, joint venture or agency relationship of any kind. Except as expressly set forth in these Terms and Conditions, neither party has any authority under these Terms and Conditions to assume or create any obligations on behalf of or in the name of the other party or to bind the other party to any contract, agreement or undertaking with any third party.

13 Legal Requirements. Products supplied or services rendered by Seller under a Purchase Order must comply with all applicable federal, state and local laws and regulations. Seller agrees to indemnify, defend, and hold harmless Buyer and its Customers from any and all Losses arising from or related to Seller's failure to comply with this Section.

14 Notices. Any notice required or permitted to be given hereunder by either party hereunder shall be in writing and shall be deemed given on the date received if delivered personally or five (5) days after the date postmarked if sent by registered or certified U.S. mail, return receipt requested, postage prepaid to the addresses set forth in the Purchase Order, or to such other address or addresses as the parties may from time to time designate in writing.

15 Governing Law; Jurisdiction. These Terms and Conditions and the rights and obligations of the parties under it shall be governed by and construed in accordance with the laws of New York without regard to conflicts of law principles. The parties agree that any legal proceedings as between the parties with respect to the subject matter hereof, shall take place in a court with jurisdiction located in Monroe County, New York, and the parties irrevocably consent to the personal jurisdiction and venue of such court.

16 Enforceability. If any one or more provisions of these Terms and Conditions shall be found to be illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, provided the surviving agreement materially comports with the parties' original intent.

17 Waiver. Waiver or forbearance by either party or the failure by either party to claim a breach of any provision of these Terms and Conditions or exercise any right or remedy provided by these Terms and Conditions or applicable law, shall not be deemed to constitute a waiver with respect to such breach or any subsequent breach of any provision hereof.

18 Assignment. Except as set forth in these Terms and Conditions (including, without limitation, Buyer's assignment of Seller's Warranties to Buyer's Customers), neither party may assign these Terms and Conditions without the prior written consent of the other, such consent not to be unreasonably withheld, and except that Buyer may assign these Terms and Conditions and the rights and interests of Buyer, in whole or in part, to any of its affiliates, any purchaser of all or substantially all of its assets or to any successor entity resulting from any merger or consolidation of Buyer with or into such successor entity. Subject to the foregoing, these Terms and Conditions shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

19 Headings. The headings in these Terms and Conditions are for convenience only and shall not affect in any way the meaning of the provisions to which they refer.

20 Litigation. In the event of litigation, the losing party shall pay the substantially prevailing party's costs to enforce its rights hereunder, including, but not limited to Court costs and reasonable attorneys' fees.

21 Counterparts. These Terms and Conditions may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

22 Supplier Recognizes that Owner will suffer financial loss if the work is not completed within the Agreement Time. If Supplier does not complete the work by the Substantial and Final Completion Dates as provided for in the Agreement, Supplier shall pay to Owner as Liquidated Damages the amounts, if any, provided for in the main section of this Agreement. Supplier and Owner agree that such Liquidated Damages are a reasonable estimate of the damages that Owner will suffer and not a penalty. If no Liquidated Damages are provided for, Supplier shall pay Owner actual damages that Owner suffers.

22.1 Seller agrees to Liquidated Damages of 1% per week for each week final completion is late. Damages shall not exceed 10% of the base contract value with 3 business days grace based on beneficial use.