

TERMS OF ORDER AND QUOTATION

1. **CONSTRUCTION AND LEGAL EFFECT.** Our shipment of products (as described on the reverse side of these terms) ("Products") to you is an offer to sell the Products solely upon the terms set forth in this document. Our terms supersede and we reject any additional or conflicting terms of yours, any statement in your acknowledgement or other documentation to the contrary notwithstanding. Acceptance of our offer must be limited to our terms. Exceptions to or modifications of any of our terms must be contained in a written or typed (not printed) statement received from you. We shall not be deemed to have waived any of our terms or to have asserted to any exception or modification to such terms unless the waiver or assent is in writing and signed by an authorized officer. Any proposal for additional or different terms which varies in any degree any of our terms, is hereby objected to and rejected unless so accepted by us in writing. Any variances in the description, quantity, price or delivery schedule of the products shall be deemed a material alteration by you. If this document is deemed an acceptance of a prior offer by you, our acceptance is limited to the express terms contained herein.

We have made no representation of any kind except as set forth herein. This Agreement supersedes all prior writings and negotiations with respect to the Products to be furnished hereunder and we will furnish only the quantities specifically listed on the purchase order. We assume no responsibility for furnishing other equipment or material shown in any plan and/or specifications for a project to which the Products may pertain. Our published or quoted terms are subject to change without notice. Unless otherwise provided by us in writing, Product sales to you shall be on a non-exclusive basis and shall not constitute a grant to you of any exclusive or limited rights to sell Products in any particular territory or geographic area.

2. **PRICES.** Prices are net FOB our factory and are subject to change without notice. All cost subsequent to delivery, including but not limited to the cost of installing the Product, are your responsibility unless we otherwise agree in signed writing. You will pay the amount of any applicable present or future tax or other government charge upon the production, sale, shipment or use of Products ordered or sold unless you provide us with an appropriate exemption certificate.

3. **CANCELLATION, DEFERRED DELIVERIES.** You may defer deliveries or cancel orders for Product only upon obtaining our written consent and upon condition that you pay all reasonable cancellation charges determined by us. In the case of hold orders or deferred deliveries, all payments made by you will be credited to your account and will be reflected in our invoices upon any resumption of deliveries.

4. **CREDIT AND PAYMENT.** Unless otherwise agreed upon in writing, payment terms are as stated on our quote/invoice. We may decline to complete and deliver Products except for cash or stop Products in transit whenever for any reason doubt as to your financial responsibility develops. Pro-rata payments shall become due with partial shipments. Where you are responsible for any delay in shipment, date of completion of Products may be treated by us as the date of shipment for purposes of payment. Completed Products shall be held at your cost and risk, and we shall have the right to bill you for reasonable storage and insurance expenses.

5. DELIVERY; REJECTION. Delivery schedules are approximate only. In estimating delivery dates, we have made no allowance, and we shall not be liable directly or indirectly, for delays of carriers or delays from labor difficulties, shortages, strikes or stoppages of any sort, fires, accidents, failure or delay in obtaining material or manufacturing facilities, acts of government affecting us directly or indirectly, bad weather, or any causes beyond our control or causes designated Acts of God or force majeure by any court of law. If such delays arise, the estimated delivery date shall be extended accordingly. We will not be liable for any damages or penalties whatsoever, whether direct, indirect, special or consequential, resulting from our failure to perform or delay in performing. Delay shall not give you a right to cancel the order.

Your acceptance of delivery shall constitute a waiver of any claim for delay. We shall have the right to deliver and invoice any part of this order immediately upon completion of manufacture. We shall choose methods and routes of shipment. Delivery to common carrier FOB our facility shall constitute delivery and passage of title to you, and risk of loss shall pass to you concurrently. You must enter and prosecute a claim for loss of damage in transit with carrier. If you or the carrier refuses delivery or delays shipment or acceptance, we may store the Products as we determine as your agent and at your risk and expense. During any such period or storage you shall have title to the Products and bear the risk of loss. If you reject any Products, you must notify us within 10 days of delivery of the Products. Your failure to notify us shall constitute acceptance.

6. WARRANTY. We warrant our products to conform to the specifications described in its Quotation or its catalog, whichever is applicable. This is our sole warranty with respect to these goods. We make no other warranty of any kind whatsoever, express or implied. We expressly disclaim any implied warranties of merchantability or fitness for a particular purpose.

THE FOREGOING OBLIGATIONS ARE IN LIEU OF ALL OTHER OBLIGATIONS AND LIABILITIES INCLUDING ALL WARRANTIES OF FITNESS, MERCHANTABILITY, OR OTHERWISE, EXPRESSED OR IMPLIED IN FACT OR BY LAW, and state our entire and exclusive liability and your exclusive remedy for any claim in connection with the sale or furnishing of Products, their design, suitability for use, installation, or operation. If you resell Products, you will include in the contract for resale provisions which limit recoveries against us in accordance with this Agreement. If you fail to include in any such Agreement for resale terms providing for such limitations, you shall indemnify and hold us harmless against any liability, loss, cost, damage, or expense (including reasonable attorney's fees) arising out of or resulting from such failure. No employee or agent of ours is authorized to make any warranty other than that which is specifically set forth herein. The provisions in any specification or chart issued by us or attached hereto are descriptive and are not warrantable.

7. LIMITATIONS OF LIABILITY. We shall in no event be liable for any direct, indirect, special or consequential damages whatsoever, whether grounded in tort (including negligence), warranty, strict liability or contract, and our liability is claimed. Any action for breach of contract must be commenced within one year after the cause of action has accrued.

BUYERS REMEDIES/RETURNS. If specifications are not met, Silicon Carbide Products will, at its option, repair or replace said items; or refund purchase price by crediting buyers account. Silicon Carbide products' exercise of one of these options shall not prejudice its exercise of other options in other circumstances. Product may not be returned without first obtaining a "Returned Goods Authorization Number." Buyer shall bear the risk and expense of return shipments and shall retain title until goods are received by Silicon Carbide Products.

8. **INFRINGEMENT.** We will not be liable for any claim of infringement of proprietary rights unless due to infringement by Products manufactured by us in the form in which we supply such Products to you and without regard to their use by you. If you notify us promptly of any such claim of infringement and, if we so request, authorize us to defend settle any suit or controversy involving such claim, we will indemnify you against the reasonable expenses of any such suit and will satisfy any judgment or settlement in which we acquiesce, but only to an amount not exceeding the price you paid us for the allegedly infringing Products. If an injunction is issued against the further use of such goods, we shall have the option of procuring for you the right to use the Products, replacing them with non-infringing goods, or of removing them and refunding the purchase price. The foregoing expresses our entire and exclusive warranty and liability as to infringement, and we will not be liable for any damages, demands, and expenses resulting from or connected with any claim of infringement arising out of the manufacture by us of Products in accordance with a design or specification which you furnish us.

9. **ENGINEERING/ TOOLING DESIGN.** Costs of tooling will be assessed as a one-time charge which does not constitute the purchase of tooling or engineering data. All such items shall remain the property of and in our custody. We shall not be obligated to retain such tooling beyond one year.

10. **RECORDS, AUDITS AND PROPRIETARY DATA.** Neither you, your representative, nor any other person, shall have any right to examine or audit our cost accounts, books or records of any kind or on any matter, or be entitled to, or have control over, any engineering or production prints, drawings, tooling or technical data which we, in our sole discretion, may consider in whole or in part proprietary to us. Any drawings and other information delivered to you or your representative pursuant to this Agreement shall be used solely for purposes of inspection, installation or maintenance. The information shall not be used or disclosed by you or your representative for any other purpose whatsoever. Further, all drawings and other information, and all copies thereof, so delivered to you or your representative shall be returned immediately to us upon request.

11. **APPLICABLE LAW.** The rights and duties of the parties shall be governed by the law of the State of New York without giving effect to its principles of conflicts of law. You hereby consent to the personal jurisdiction of the Courts of the State of New York located with Monroe County to determine any controversy arising out of this Agreement.

12. **ASSIGNMENT; NON-WAIVER.** Your rights and obligations hereunder may not be assigned without our prior written consent. Our failure at any time to require performance by you of any of these terms or our failure to enforce any of our rights shall not be deemed a waiver thereof and shall not be construed as a usage of trade or a course of dealing between the parties. Waiver of any default shall not waive any other default.

13. **DUTY TO WARN.** You hereby acknowledge that we may have certain duties to warn and/or inform ("Duty to Warn") the ultimate consumers or users about certain aspects of the Products, including but not limited to providing directions on proper installation, use and maintenance of the Product, information and warnings as to performance, or lack thereof, should the Product not be installed, used or maintained properly, and information and warning as to inherent limitations in performance even if the Product is installed, used and maintained properly. You also acknowledge that we are not and will not be in a position to provide such materials to the ultimate consumer or users since we will not be selling the Products to that group and will otherwise have no knowledge of who the ultimate consumers or users may be. ACCORDINGLY YOU HEREBY EXPRESSLY AGREE TO PROVIDE TO ALL PURCHASERS AND USERS OF THE PRODUCTS ALL MATERIALS WHICH WE PROVIDE TO YOU REGARDING THE PRODUCTS TOGETHER WITH ALL MATERIALS WHICH YOU ARE OTHERWISE REQUIRED TO PROVIDE.

14. **INDEMNIFICATION.** You shall take all necessary precautions to prevent the occurrence of any injury to person or property arising out of the use of or resulting from the Products and services provided to you hereunder. You shall indemnify and save us harmless against any claim, action, loss, damage or expense (including reasonable attorney's fees) by reason of injuries to persons (including death) or damage to property arising out of or resulting from the use of any of the Products by you or the activities of your agents, employees, customers, or representatives, except to the extent that any such injury or damages are due directly and solely to our negligence. You shall also indemnify us against any claim, action, loss, damage or expenses arising out of or related to any Duty to Warn, where you failed to provide to the customer all information and warning materials, related to our Product which we provided to you.

15. **CONDITIONS OF RESALE.** You shall include as part of all your contracts for resale or installation for the Products sold to you hereunder the following Articles of this document (i) Article 6, Warranty; (ii) Article 7, Limitation of Liability; (iii) Article 8, Infringement; (iv) Article 10, Records, Audits, Proprietary Data; (v) Article 13, Duty to Warn; (vi) Article 14, Indemnification.