

TERMS AND CONDITIONS OF SALE AND SHIPMENT

1. THE COMPANY

Dover Flexo Electronics, Inc. is hereinafter referred to as the Company.

2. CONFLICTING OR MODIFYING TERMS

No modification of, additions to or conflicting provisions to these terms and conditions of sale and shipment, whether oral or written, incorporated into Buyer's order or other communications are binding upon the Company unless specifically agreed to by the Company in writing and signed by an officer of the Company. Failure of the Company to object to such additions, conflicts or modifications shall not be construed as a waiver of these terms and conditions nor an acceptance of any such provisions.

3. GOVERNING LAW

This contract shall be governed by and construed according to the laws of the state of New Hampshire, U.S.A. The parties agree that any and all legal proceedings pursuant to this contract shall take place under the jurisdiction of the courts of the State of New Hampshire in the judicial district of Strafford County.

4. PENALTY CLAUSES

Penalty clauses of any kind contained in orders, agreements or any other type of communication are not binding on the Company unless agreed to by an officer of the Company in writing.

5. WARRANTY

Dover Flexo Electronics, Inc. warrants, to the original Buyer, its' products to be free of defects in material and workmanship for five years from date of original shipment. Repairs on products are warranted for 90 days from date of shipment. During the warranty period the Company will repair or replace defective products free of charge if such products are returned with all shipping charges prepaid and if, upon examination, the product is shown to be defective. This warranty shall not apply to products damaged by abuse, neglect, accident, modification, alteration or mis-use. Normal wear is not warranted. All repairs and replacements under the provisions of this warranty shall be made at Dover Flexo Electronics or at an authorized repair facility. The Company shall not be liable for expenses incurred to repair or replace defective products at any other location or by unauthorized persons or agents. This warranty contains all of the obligations and warranties of the Company. There are no other warranties, either expressed or implied. No warranty is given regarding merchantability or suitability for any particular purpose. The Company shall not be liable in either equity or law for consequential damages, losses or expenses incurred by use of or inability to use its' products or for claims arising from same. No warranty is given for products of other manufacturers even though the Company may provide these products with its' own or by themselves. The provisions of this warranty can not be changed in any way by any agent or employee of the Company. Notice of defects must be received within the warranty period or the warranty is void. The warranty is void if the serial number tag is missing or not readable.

6. PAYMENTS

Standard terms of credit are net 30 days from date of shipment, providing satisfactory credit is established with the Company. Amounts past due are subject to a service charge of 1.5% per month or portion thereof or 18% per annum. The Company reserves the right to submit any unpaid late invoices to a third party for collection and Buyer shall pay all reasonable costs of such collection in addition to the invoice amount. All quoted prices and payments shall be in U.S. Dollars. If the Company judges that the financial condition or payment practices of the Buyer does not justify shipment under the standard terms or the terms originally specified, the Company may require full or partial payment in advance or upon delivery. The Company reserves the right to make collection on any terms approved in writing by the Company's Finance Department. Each shipment shall be considered a separate and independent transaction and payment therefore shall be made accordingly. If the work covered by the purchase order is delayed by the Buyer, upon demand by Company payments shall be made on the purchase price based upon percentage of completion.

7. TAXES

Any tax, duty, custom, fee or any other charge of any nature whatsoever imposed by any governmental authority on or measured by any transaction between the Company and the Buyer shall be paid by the Buyer in addition to the prices quoted or invoiced.

8. RETURNS

Written authorization (MRA) must be obtained from the Company's factory before returning any material for which the original Buyer expects credit, exchange, or repairs. Material returned for credit must be unused, received back within 30 days of original ship date and shall be subject to a re-stocking charge of 15%. Special Product Requests (SPRs), product manufactured specially to customer specifications, and non-DFE product purchased on customer behalf shall not be returnable for any reason. All material returned, for whatever reason, shall be sent with all freight charges prepaid by the Buyer.

9. SHIPPING METHOD AND CHARGES

All prices quoted are EXW the Company's factory. The Company shall select the freight carrier, method and routing. Shipping charges are prepaid and added to the invoice of Buyers with approved credit, however the Company reserves the right to ship freight-collect if it prefers. Shipping charges will include a charge for packaging. Company will pay standard ground freight charges for items being returned to Buyer which are repaired or replaced under the Warranty. Claims of items missing from a shipment must be received, in writing, within 30 days of original shipment

10. CANCELLATION, CHANGES, RESCHEDULING

Special Product Requests (SPRs), product manufactured specially to customer specifications, and non-DFE product purchased on customer behalf shall not be returnable for any reason. Buyer will be subject to a 15% fee for any standard item on order with the Company which is cancelled by the Buyer. A one-time hold on any item ordered from the Company shall be allowed for a maximum of 30 days. After 30 days, or upon notice of a second hold, Company shall have the right to cancel the order and issue the appropriate cancellation charges which shall be paid by Buyer. Items held for the Buyer shall be at the risk and expense of the Buyer unless otherwise agreed upon in writing. Company reserves the right to dispose of cancelled material as it sees fit without any obligation to Buyer. If Buyer makes, or causes to make, any change to an order the Company reserves the right to change the price accordingly.

11. PRICES

Prices published in price lists, catalogs or elsewhere are subject to change without notice and without obligation. Written quoted prices are valid for thirty days only.

12. EXPORT SHIPMENTS

Payment for shipments to countries other than the U.S.A. and Canada or to authorized distributors shall be secured by cash in advance or an irrevocable credit instrument approved by an officer of the Company. An additional charge will apply to any letter of credit. There will also be an extra charge for packaging and documentation.

13. CONDITION OF EQUIPMENT

Buyer shall keep products in good repair and shall be responsible for same until the full purchase price has been paid.

14. OWNERSHIP

Products sold are to remain the property of the Company until full payment of the purchase price is made.