

## Atlantic Distribution Group, LLC TERMS AND CONDITIONS

These "Terms and Conditions" govern the sale of product services by Atlantic Distribution Group, LLC (ADG), and its divisions, subsidiaries, and affiliates (collectively "Seller") as well as Seller's third party vendors and/or service providers.

"Customer" is defined as the company and/or company's legal representative engaged in purchase activities with/from ADG.

1. **ORDERS:** All orders placed by Customer are subject to acceptance by Seller in accordance with these Terms and Conditions. Orders may not be canceled or rescheduled without Seller's written consent. All orders must include delivery dates, quantities and complete description of the goods requested for purchase. Seller may in its sole discretion allocate products to its customers. Seller may designate certain products as "non-cancelable non-returnable" (NCNR). A NCNR form will be supplied to Customer prior to purchase order ratification.
2. **PRICES:** Unit pricing for all products and services ordered by Customer are specified on each quote. Price quotations, unless otherwise stated, shall automatically expire in five (5) calendar days from the date issued and may be canceled or amended within that period upon notice to Customer. Unless otherwise agreed to in writing by Seller, all prices quoted are exclusive of transportation and insurance costs, duties, and all taxes including federal, state and local sales, excise and value added taxes. Customer agrees to pay these taxes unless Customer has provided Seller with an exemption resale certificate in the appropriate form for the jurisdiction of Customer's place of business and any jurisdiction to which the purchased goods are to be directly shipped hereunder, or unless the sale is otherwise exempt from these taxes. Customer agrees to indemnify and hold harmless Seller for any liability for tax in connection with the sale, as well as the collection or withholding thereof, including penalties and interest thereon. When applicable, transportation and taxes shall appear as separate items on Seller's invoice.
3. **PAYMENT TERMS:** Standard terms of payment are net thirty (30) days from the date of invoice unless otherwise specified in writing by Seller. Seller may invoice each shipment separately and each shipment can be considered a separate and individual contract. Customer agrees to pay such invoice pursuant to its terms without the benefit of setoff or deduction.
4. **MODIFICATION OF PAYMENT/CREDIT TERMS:** Seller reserves the right to establish and/or change credit and payment terms extended to Customer when, in Seller's sole opinion, Customer's financial condition or previous payment record warrants that action. Further, on delinquent accounts, Seller shall not be obligated to continue performance under any agreement with Customer.
5. **REJECTION OF ADDITIONAL OR INCONSISTENT TERMS:** Any additional or inconsistent terms contained in a purchase order or other documents are specifically rejected. These Terms and Conditions take precedence over Customer's additional or different terms and conditions to which notice of objection is hereby given. Neither Seller's commencement of performance nor delivery shall be deemed or constituted as acceptance of Customer's additional or different terms and conditions. Customer's acceptance of the products and/or services shall be deemed to constitute acceptance of the Terms and Conditions contained herein.
6. **SECURITY INTEREST:** Seller retains a security interest in all products delivered to Customer, and in such related accessories, replacements, accessions, proceeds and goods, including accounts receivable (collectively, the "Collateral") to secure payment of all amounts due under these Terms and Conditions. If Customer fails to pay any amount when due, Seller shall have the right to repossess and remove all or any part of the Collateral from Customer. Any repossession or removal shall be without prejudice to any other remedy of Seller hereunder, at law or in equity. Customer agrees, from time to time, to take any act and execute and deliver any document (including, without limitation, financing statements) reasonably requested by Seller to transfer, create, perfect, preserve, protect and enforce this security interest.
7. **DELIVERY:** Delivery will be deemed complete and risk of loss or damage to any product will pass to Customer upon delivery to the carrier. Customer acknowledges that delivery dates provided by Seller are estimates only and Seller shall not be liable for delays in delivery or for failure to perform due to causes beyond the reasonable control of Seller nor shall the carrier be deemed an agent of Seller. In the event of delay caused by such event, the date of delivery shall be extended for a period equal to the time lost as a consequence of the delay in delivery without subjecting Seller to any liability or penalty.
8. **ACCEPTANCE/RETURNS:** Shipments will be deemed to have been accepted by Customer upon receipt of the said shipments at Customer's facility. Customer shall perform inspections and/or tests Customer deems necessary, as promptly as possible, but in no later than five (5) days after delivery, at which time Customer must either accept or reject the products by providing written notice to Seller. Any discrepancy in shipment quantity

must be reported in writing within five (5) working days of receipt of the products. A Discrepancy Report (DR) is required for any product received by Customer that Customer believes to be non-conforming. The DR is reviewed by Seller and if necessary, Seller shall issue a return merchandise authorization (RMA).

9. **DISCLAIMER OF WARRANTIES:** The only warranty on any goods sold to Customer is the express written warranty, if any, granted by the manufacturer. Seller makes no representation or warranty, expressed or implied, including any implied warranties of merchantability or fitness for particular use with respect to the products, goods and/or services provided.
10. **LIMITATION OF LIABILITY:** Seller's maximum liability to Customer shall be limited to the amount that Customer paid to Seller for the merchandise received. IN NO EVENT WILL SELLER OR ITS SUPPLIERS BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES WHATSOEVER INCLUDING, WITHOUT LIMITATION, THOSE RESULTING FROM ANTICIPATED OR LOST PROFIT, LOST DATA, BUSINESS INTERRUPTION, LOSS OF CUSTOMERS, LOSS OF MARKET SHARE, LOSS OF GOODWILL OR MANUFACTURING EXPENSES AND ANY OTHER LOSS(ES) THAT MIGHT ARISE AS A DIRECT OR INDIRECT RESULT OF THE SALE OR USE OF THE PRODUCTS OR AS A RESULT OF SELLER'S NON-PERFORMANCE OR INADEQUATE PERFORMANCE OF ITS OBLIGATIONS, WHETHER BASED ON WARRANTY, CONTRACT, TORT OR ANY OTHER LEGAL THEORY AND WHETHER OR NOT ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
11. Purchaser's rights under these Terms and Conditions may not be assigned without Seller's prior written consent. However, the foregoing does not limit Customer's right, upon making payment in full, from transferring title to the merchandise subject to written notice to and transfer of title on the records of Seller.
12. **BINDING ON SUCCESSORS:** These Terms and Conditions shall be binding on the heirs, executors, administrators, successors and assigns of the Customer. Customer further agrees that Seller may assign its rights under this agreement and that this agreement shall be binding upon and endure to the benefit of the successors and assigns of Seller.
13. **ENTIRE AGREEMENT:** These Terms and Conditions consist of all terms which have been agreed upon between the parties with the exception of any (i) credit

application provided by Customer, (ii) personal guarantee(s) submitted by Customer, and/or (iii) such additional terms as provided on Seller's invoices. These Terms and Conditions replace all other discussions and agreements, whether oral or written, as relating to those goods and services. No subsequent discussion or agreement can change the terms of this contract unless it is written and signed by both parties.

14. **CHOICE OF LAW/JURISDICTION:** If any provision of these Terms and Conditions is held by a court of competent jurisdiction to be contrary to law, the remaining provisions will remain in full force and effect. These Terms and Conditions will be governed by and construed in accordance with the laws of the State of Maryland, and the parties consent to personal jurisdiction and venue in the state courts located in Howard County, Maryland.
15. **ATTORNEYS' FEES:** In any action at law or in equity to enforce any of the provisions or rights under these Terms and Conditions and/or for collection of amounts due, the prevailing party shall be entitled to recover from the unsuccessful party all costs, expenses and reasonable attorney's fees incurred therein by the prevailing party (including, without limitation, such costs, expenses and fees on any appeals), and if such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses, including those of expert witnesses and attorney's fees, shall be included as part of the judgment.
16. **FORCE MAJEURE:** If by reason of act of God or force majeure such as fire, war, earthquake, strike, lock-out, labor controversy, civil unrest, acts of any government or its agencies or officers, or any order, regulation or ruling thereof, Seller is prevented from making delivery, Seller shall have the right to extend the delivery time for a reasonable period.
17. **PARTIAL INVALIDITY:** If any provision these Terms and Conditions is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.
18. **INDEMINIFICATION:** Customer will indemnify, defend and hold ADG harmless from any claims based on; (i) ADG's compliance with customer's designs, specifications, or instructions, (ii) modification of any Product by anyone other than ADG, or (iii) use of Products in combination with other products.
19. **USE OF PRODUCTS:** Customer shall comply with the manufacturer's or supplier's Product specifications.

Products are not authorized for use in critical safety or other applications where a failure may reasonably be expected to result in personal injury, loss of life, or serious property damage. If Customer uses or sells the Products for use in any such applications or fails to comply with the manufacturer's Product specifications, Customer acknowledges that such use, sale, or non-compliance is at Customer's sole risk.

20. **EXPORT/IMPORT:** Certain Products sold by ADG and other related technology and documentation are subject to export control laws, regulations and orders of the United States, the European Union, and/or other countries ("Export Laws"). Customer shall comply with such Export Laws and obtain any license, permit, or authorization required to transfer, sell, export, re-export, or import the Products and related technology and documentation.
  
21. **PRODUCT INFORMATION:** Product information (for example, statements or advice (technical or otherwise) advertisement content, and information related to a Product's specifications, features, export/import control classifications, uses or conformance with legal or other requirements) is provided by ADG on an "AS IS" basis and does not form a part of the properties of the Product. ADG makes no representation as to the accuracy or completeness of the Product information, and **DISCLAIMS ALL REPRESENTATIONS, WARRANTIES AND LIABILITIES UNDER ANY THEORY WITH RESPECT TO THE PRODUCT INFORMATION.** ADG recommends Customer validate any Product Information before using or acting on such information. All Product information is subject to change without notice. ADG is not responsible for typographical or other errors or omissions in Product information.