



Hydroid LLC Terms & Conditions of Sale

1. **GENERAL.** Hydroid, LLC, a Massachusetts corporation (“Hydroid LLC”) and the purchaser of products or services of Hydroid LLC (“Purchaser”) agree that the within terms and conditions shall constitute a part of any contract for the sale of products or services by Hydroid LLC to Purchaser and shall take precedence over other terms and conditions. No contrary, additional or different provisions or conditions shall be binding on Hydroid LLC unless accepted in writing by the home office of Hydroid LLC. Conditions not specifically stated herein shall be governed by established trade customs. These terms and conditions shall apply to and govern Purchaser’s order, and in the event of any inconsistency between these terms and conditions and Purchaser’s order, these terms and conditions shall prevail. These terms and conditions are subject to change without prior written notice at any time, in the sole discretion of Hydroid LLC.
2. **PERIOD.** Unless otherwise stipulated, proposals and quotations of Hydroid LLC become void unless accepted by Purchaser, or extended by Hydroid LLC in writing, within thirty (30) days from the date of submission to Purchaser by Hydroid LLC.
3. **PRICING.** All pricing is F.O.B. Pocasset, MA, U.S.A. unless otherwise agreed to in writing by Hydroid LLC. Prices are based on costs and conditions existing on the date of quotation and are subject to change by Hydroid LLC before final acceptance. All quotations and agreements are contingent upon and are subject to change because of strikes, accidents, fires, availability of materials and all other causes beyond the control of Hydroid LLC. Hydroid LLC reserves the right to correct all typographical errors that may occur in its prices or specifications.
4. **TAXES.** All prices are exclusive of federal, state and local use, sales, property, excise or similar taxes however designated. Unless Purchaser provides Hydroid LLC with a valid and correct tax exemptions certificate applicable to the product ship-to location prior to Hydroid LLC’s acceptance of the order, Purchaser is responsible for any of the foregoing taxes, or amounts in lieu thereof paid or payable by Hydroid LLC. In case of new taxes or increased rates or the repeal of taxes or the reduction of rates, the contract price shall be adjusted accordingly.
5. **SHIPPING.** All orders will be shipped freight collect. Separate charges for shipping and handling will be shown on Purchaser’s invoice. Where it is deemed impractical by Purchaser or not possible to ship freight collect, if Hydroid LLC elects, Hydroid LLC may prepay and invoice all freight charges plus ten percent (10%) for documentation and handling. All risk of loss shall pass to Purchaser when the goods are delivered to the carrier.
6. **DELIVERY.** Hydroid LLC will make a reasonable effort to meet the proposed delivery schedule, but shall not be liable for loss or damage resulting from delay and non-delivery or default in shipment, in whole or in part, delivery or other failure of performance due to events beyond the control of Hydroid LLC and without the fault or negligence of Hydroid LLC, including, without limitation, contingencies of transportation, procurement of materials or parts, labor difficulties, governmental action, or acts of God.



7. **SYSTEM COSMETICS.** All Hydroid AUV systems undergo an extensive Factory Acceptance Test (F.A.T.) prior to shipment. The F.A.T. consists of complete bench testing, as well as thorough at sea operational testing. During sea testing the vehicles are deployed and recovered numerous times from small vessels. Consequently, the vehicle, and/or ancillary equipment, may show minor wear as a result of the testing. Hydroid takes care in assuring the vehicles are in as pristine condition as possible, however, as a result of sea testing, evidence of minor cosmetic wear is deemed acceptable.
8. **INSPECTION.** Purchaser must examine the Product upon receipt. If any item is damaged or missing, Purchaser must notify Hydroid LLC within ten (10) days from the date of delivery. Purchaser's failure to present a written claim respecting any shipment, within ten (10) days after receipt thereof, shall constitute a waiver of all claims with respect thereto.
9. **PAYMENT.** For orders invoiced and shipped in the United States, the terms are thirty (30) days net from the date of invoice, subject to approval of credit by Hydroid LLC. For orders invoiced or shipped outside of the United States, Hydroid LLC will require a confirmed, irrevocable letter of credit, payable at sight in United States funds, advised, confirmed and payable on a United States bank acceptable to Hydroid LLC. If, in the judgment of Hydroid LLC, the financial conditions of Purchaser at any time does not justify shipment or the continuation of production on the aforesaid terms of payment, Hydroid LLC may require payment in advance, alternative payment terms in form and substance satisfactory to Hydroid LLC or terminate the purchase order or any agreement related thereto without liability and without waiving any other remedies. Purchaser shall pay interest on all past due sums at the rate of 1.0% per month.
10. **LIMITED WARRANTY.** Hydroid LLC warrants that the products sold hereunder shall be free from defects in materials and workmanship under normal use and service when correctly installed, used and maintained for a period of one (1) year from date of shipment from Hydroid LLC. Purchaser's receipt of any product delivered hereunder shall be an unqualified acceptance of and a waiver by Purchaser of the right of Purchaser to make a claim with respect to such product unless Purchaser gives Hydroid LLC notice of any claim within one (1) year after the receipt of such product. This warranty is limited to repair or replacement of the said product at Hydroid LLC's options, F.O.B. the Hydroid LLC plant in Pocasset, Massachusetts, providing the product was not abused or operated other than in accordance with the Hydroid LLC instruction manuals. Hydroid LLC reserves the right to modify its warranty at any time, in its sole discretion. THIS LIMITED WARRANTY IS NOT TRANSFERABLE.
11. **REPAIRS.** Prior to returning any product to Hydroid LLC for warranty repair, the Purchaser must first contact Hydroid LLC and obtain a return material authorization number (the "RMA Number"). Purchaser will clearly label each product returned with the appropriate RMA Number. All products requiring warranty repairs must be returned by Purchaser to Hydroid LLC in Pocasset, Massachusetts, or to such other location designated by Hydroid LLC, with a letter stating the problem and probable cause, with a date and time of failure, together with freight, handling, customs duties (if any) and proper documentation. Return freight must also be prepaid.



12. **EXCHANGES.** From time to time, Hydroid LLC may, in its sole discretion, exchange products or portions of a product. Any exchanges will be made in accordance with Hydroid LLC's exchange policies in effect on the date of the exchange.
13. **U.S. GOVERNMENT CONTRACTS.** If the goods or services being purchased are to be used in the performance of a U.S. Government contract or subcontract and a U.S. Government contract number appears on Purchaser's purchase order, those clauses of the applicable U.S. Government procurement regulations which are mandatory under federal statute to be included in U.S. Government subcontracts shall be incorporated herein by reference.
14. **INTELLECTUAL PROPERTY RIGHTS.** No rights in intellectual property, including but not limited to, license or other rights under any patents, copyrights, trade secrets, or trademarks owned or controlled by Hydroid LLC or under which Hydroid LLC is licensed, are granted to Purchaser or implied by the sale of products or services hereunder. Purchaser shall not use the trademarks of Hydroid LLC to identify such products provided, however, that Purchaser may identify such products as utilizing, containing, or having been manufactured from genuine products of Hydroid LLC as treated, modified, or altered by Purchaser or a representative of Purchaser. If products or services sold hereunder are manufactured according to the specifications of Purchaser, Purchaser shall indemnify Hydroid LLC against any liability for patent, copyright, or trademark infringement on account of such manufacture or performance.
15. **MATERIALS FURNISHED BY PURCHASER.** Purchaser shall assume liability for patent and copyright infringement when products are made to Purchaser's specifications. When the quotation specifies material to be furnished by, ample allowance must be made for reasonable waste, and material must be of suitable quality to facilitate efficient production. All materials to be supplied by Purchaser must be of first quality and must be timely delivered to Hydroid LLC.
16. **LIMITATION OF LIABILITY.** HYDROID LLC MAKES NO OTHER WARRANTY REGARDING ITS PRODUCTS OR THE PRODUCTS OF OTHERS EITHER EXPRESS OR IMPLIED, AND ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WHICH EXCEEDS THE FORGOING WARRANTIES IS HEREBY DISCLAIMED BY HYDROID LLC AND EXCLUDED FROM ANY AGREEMENT MADE BY ACCEPTANCE OF ANY ORDER. HYDROID LLC DOES NOT ACCEPT LIABILITY BEYOND THE REMEDIES SET FORTH HEREIN, INCLUDING ANY LIABILITY FOR PRODUCTS NOT BEING AVAILABLE FOR USE OR FOR LOST OR CORRUPTED DATA, LOSS OF BUSINESS, LOSS OF PROFITS, LOSS OF USE OF THE PRODUCT OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE OR REPLACEMENT PRODUCT, FACILITIES OR SERVICES, DOWN-TIME, CHARGES FOR PURCHASER'S TIME AND EFFORT, THE CLAIMS OF THIRD PARTIES, INJURY TO PROPERTY, OR ANY OTHER DIRECT, INDIRECT SPECIAL RELIANCE, INCIDENTAL OR CONSEQUENTIAL DAMAGES, REGARDLESS OF THE NATURE OF THE CLAIM AND WHETHER OR NOT FORESEEABLE AND WHETHER OR NOT BASED ON BREACH OF WARRANTY, CONTRACT OR TORT (INCLUDING NEGLIGENCE) OR STRICT LIABILITY, EVEN IF HYDROID LLC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM BY ANY THIRD PARTY EXCEPT AS EXPRESSLY PROVIDED HEREIN. THIS LIMITATION OF LIABILITY APPLIES BOTH TO PRODUCTS AND SERVICES AND SUPPORT PROVIDED TO PURCHASER UNDER



THIS AGREEMENT. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY HYDROID LLC, ITS AGENTS OR EMPLOYEES SHALL CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF THE LIMITED WARRANTY PROVIDED IN SECTION 9 ABOVE. ANY AND ALL LIABILITY OF HYDROID LLC IS EXPRESSLY LIMITED TO THE PRICE PURCHASER HAS PAID FOR THE PRODUCTS. PURCHASER'S SOLE REMEDY AGAINST HYDROID LLC IN ANY DISPUTE UNDER THIS AGREEMENT SHALL BE TO SEEK RECOVERY OF THE AMOUNTS PURCHASER PAID, PURSUANT TO SECTION 8 ABOVE, UPON THE PAYMENT OF WHICH HYDROID LLC, ITS AGENTS AND EMPLOYEES, AND AFFILIATES, WILL BE RELEASED FROM AND DISCHARGED OF ALL FURTHER OBLIGATIONS AND LIABILITY TO PURCHASER. THE LIMITED WARRANTY OF HYDROID LLC GIVES PURCHASER SPECIFIC LEGAL RIGHTS, AND PURCHASER MAY ALSO HAVE OTHER RIGHTS THAT VARY FROM STATE TO STATE. SOME STATES DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS OR THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO PURCHASER.

17. **APPLICABLE LAW; NOT FOR RESALE.** Purchaser agrees to comply with all applicable laws and regulations of the various states and of the United States or any foreign country, as applicable. Purchaser agrees and represents that it is buying the product for its own internal use only, and not for resale.
18. **HEADINGS.** The section headings used herein are for convenience of reference only and do not form a part of these terms and conditions, and no construction or inference shall be derived therefrom.
19. **ASSIGNMENTS.** The rights and duties of Purchaser hereunder shall not be assignable by Purchaser without the prior written consent of Hydroid LLC, and any purported assignment or assumption without such consent shall be void.
20. **SEVERABILITY.** The terms and conditions contained herein are separate and severable and the invalidity or unenforceability of one or more of such terms and conditions shall not affect the validity or enforceability of any other term or condition.
21. **GOVERNING LAW.** The U.N. Convention on Contracts for the International Sale of Goods, 1980 will not apply to this transaction. This Agreement is to be construed under, and the respective rights of Hydroid LLC and Purchaser are to be determined according to the laws of the Commonwealth of Massachusetts.
22. **WAIVER.** The failure of Hydroid LLC to enforce at any time or for any period of time any of the provisions hereof shall not be construed to be a waiver of such provisions nor the right of Hydroid LLC thereafter to enforce each and every such provision.