

1. DEFINITIONS

"**AOS, Inc.**" means the AOS, Inc. or an authorized agent or reseller selling products to the Customer as identified in AOS, Inc.'s Quotation or Invoice.

"**Customer**" means the person or legal entity identified in AOS, Inc.'s Quotation or Invoice.

"**Contract**" means a contract for sale by AOS, Inc. to the Customer of the products and/or services incorporating the Terms and Conditions.

2. FORMATION OF CONTRACT

2.1 No Contract shall come into existence until the Customer's order has been accepted by AOS, Inc. and such acceptance has been received by the customer. The contract shall be deemed to be concluded at the time and place where such acceptance is received by the Customer. The Customer warrants that it is buying for its own internal use only and not for re-sale purposes.

2.2 The products sold and/or services rendered are subject to the Terms and Conditions to the exclusion of any other terms and conditions stipulated or referred to by Customer. The Customer acknowledges that it is aware of the contents of and agrees to be bound by the Terms and Conditions.

2.3 These Terms and Conditions are subject to the laws of the United States.

3. ORDERS, PRICE AND PAYMENT

3.1 Unless credit terms have been expressly agreed by AOS, Inc., payment for the products or services shall be made in full before physical delivery of products or services.

3.2 Unless otherwise stipulated in an official AOS Quotation or authorized price list, Customer shall pay for all shipping and handling charges.

3.3 Customer shall bear all country, provincial, government, state and local sales, use, goods and services, value added, excise, privilege and similar levies/taxes.

3.4 Time for payment is of the essence. AOS, Inc. reserves the right to charge interest at the rate of 2% above the base commercial floating rate.

4. SOFTWARE

4.1 All software provided is subject to the terms and conditions of the license agreement relating to that software. Customer acknowledges its obligations to abide by such license agreements. Customer acknowledges that AOS, Inc. does not warrant any software under these Terms and Conditions. In addition to any rights the customer may have under statute, all software is warranted in accordance with the license agreement that governs its use.

4.2 All rights, title or interest in respect of the intellectual property rights in the software remain with AOS, Inc. or the licensor of the software at all times.

5. TITLE AND RISK

Title to and risk in the products shall pass to the Customer upon delivery of the products to Customer. Title to those products, which are software, shall remain with the applicable licensor(s) at all times.

6. DELIVERY

6.1 AOS, Inc. shall deliver the products to the place of delivery designated by Customer and agreed to by AOS, Inc. ("Place of Delivery").

6.2 AOS, Inc. may, at its discretion, deliver the products by installments in any sequence. Where the products are so delivered by installments, each installment shall be deemed to be the subject of a separate contract and no default or failure by AOS, Inc. in respect of any one or more installments shall vitiate the Contract in respect of products previously delivered or undelivered products.

6.3 Any dates quoted by AOS, Inc. for the delivery of the products are approximate only and shall not form part of the Contract. AOS, Inc. shall not be liable for any delay in delivery of the products and/or services, howsoever caused.

7. ACCEPTANCE OF PRODUCTS

7.1 Unless the Customer notifies AOS, Inc. to the contrary on the day of delivery and such notification is confirmed in writing within two days, the Products shall be deemed to have been accepted by the Customer as being in good condition and in accordance with the Contract. The Customer shall not be entitled to withhold payment of all or any of the price of the Products whilst any claim is being investigated by AOS, Inc.

7.2 AOS, Inc.-branded products (excluding AOS, Inc. co-branded products) purchased under these Terms and Conditions directly from AOS, Inc. by an end-user Customer may be returned by Customer up to **fifteen (10) days** from the date of the invoice for a replacement or refund of the purchase price. The refund will not include any shipping and handling charges forming part of the purchase price. Returned products must be received by AOS, Inc. in as-new or as-shipped-by-AOS, Inc. condition, including conformance to invoiced specification, and all of the manuals, diskettes, CDs, power cables and other items included with a product must be returned with it. Returns of all non-AOS Inc. branded products are subject to a minimum 20% restocking fee and/or the Return policies of the manufacturer.

8. WARRANTY

8.1 Unless specified otherwise and in addition to any rights the Customer may have under statute, AOS, Inc. warrants to the Customer that AOS, Inc. branded Products (excluding third party products and software), will be free from defects in materials and workmanship affecting normal use for a period of one year from invoice date ("Standard Warranty").

8.2 This Standard Warranty does not cover damage, fault, failure or malfunction due to external causes, including accident, abuse, misuse, problems with electrical power, servicing not authorized by AOS, Inc., usage and/or storage and/or installation not in accordance with Product instructions, failure to perform required preventive maintenance, normal wear and tear, act of God, fire, flood, war, act of violence or any similar occurrence; any attempt by any person other than AOS, Inc. personnel or any person authorized by AOS, Inc., to adjust, repair or support the Products and problems caused by use of parts and components not supplied by AOS, Inc..

8.3 The Standard Warranty does not cover any items that are in one or more of the following categories: software; external devices; accessories or parts added to the Product after the Product is shipped from AOS, Inc.; accessories or parts added to the Product; accessories or parts that are not installed in the AOS, Inc. factory.

8.4 During the one-year period beginning on the invoice date, AOS, Inc. will repair or replace Products returned to AOS, Inc.'s facility. Customer must prepay shipping and transportation charges, and insure the shipment or accept the risk of loss or damage during such shipment and transportation. AOS, Inc. will ship the repaired or replacement products to Customer freight prepaid.

8.5 While not affecting any non-excludable warranty or guarantee implied by law, AOS, Inc. does not give any warranty that the Products are fit for any particular purpose and this Standard Warranty is given in place of all warranties, conditions, terms, undertakings and obligations implied by statute, common law, trade usage, course of dealing or otherwise including warranties or conditions of merchantability, fitness for

purpose, satisfactory quality and/or compliance with description, all of which are hereby excluded to the fullest extent permitted by law.

8.6 The Customer agrees that to the extent permitted by law, in relation to third party products purchased through AOS, Inc., where such of the Products are covered by a relevant manufacturer's warranty, then the Customer will first make a claim against the manufacturer and shall utilise that warranty for the support of such Products and in any event not look to AOS, Inc. for such warranty support in the first instance.

9. SERVICE AND TECHNICAL SUPPORT

AOS, Inc. will provide general service and technical support to Customer in accordance with the then-current service and technical support policies in effect. Service and support offerings may vary from product to product. If Customer purchases optional services and support as listed on Customer's invoice, AOS, Inc. will provide the optional service and support to Customer in accordance with the then-current terms and conditions in the optional service contract between AOS, Inc. and Customer. In addition to the Standard Warranty, AOS, Inc. may, at its discretion, revise its general and optional service and support programs and the terms and conditions that govern them. AOS, Inc. has no obligation to provide service or support until AOS, Inc. has received full payment for the product or service/support contract for which service or support is requested.

10. LIABILITY

10.1 AOS, Inc. shall not be liable in contract or in tort for any loss or damage suffered and consumers rights are limited to those set out in these Terms and Conditions and under statute.

10.2 To the extent permitted by law and subject to clause 10.7, AOS, Inc.'s total liability herein in respect of each event or series of connected events shall not exceed the total price paid for the purchase of products and/or services under these Terms and Conditions.

10.3 The Customer shall indemnify AOS, Inc. and keep AOS, Inc. fully and effectively indemnified against any loss of or damage to any property or injury to or death of any persons caused by any negligent act or omission or willful misconduct of the Customer, its employees, agents or sub-contractors or by any breach of its contractual obligations arising out of these Terms and Conditions.

10.4 To the extent permitted by law, AOS, Inc. and Customer agree that AOS, Inc. will not be liable for Products not being available for use, or for data or software which is lost, corrupted, deleted or altered. AOS, Inc. shall not be liable to the Customer for any incidental, indirect, special or consequential damages arising out of or in connection with the purchase, use or performance of products or services, even if AOS, Inc. has been advised of their possibility.

10.5 Any service response times stated by AOS, Inc. in the service contracts are approximate only and AOS, Inc. shall not be liable for any direct or indirect loss or damage arising from its failure to meet such response times, howsoever occasioned.

10.6 To the extent permitted by law, any typographical, clerical or other error or omission in sales literature, quotation, price list, acceptance of offer, invoice or other documents or information issued by AOS, Inc. shall be subject to correction without any liability on the part of AOS, Inc.

10.7 Where implied conditions and warranties cannot be excluded, AOS, Inc.'s liability for breach of such conditions and warranties (other than a condition or warranty implied by section 69 of the Act) shall be limited, at AOS, Inc.'s option, to :

(a) in the case of products, the replacement of the products or the supply of equivalent products; the repair of such products; the payment of the cost of replacing the products or of acquiring equivalent products; or the payment of the cost of having the products repaired; OR

(b) in the case of services, the supplying of services again; or the payment of the cost of having services supplied again.

11. FORCE MAJEURE

Neither party shall be liable for any delay in performing any of its obligations under these Terms and Conditions if such delay is caused by circumstances beyond the reasonable control of the party so delaying, and such party shall be entitled to a reasonable extension of time for the performance of such obligations.

12. EXPORT RESTRICTIONS

The Customer acknowledges that the Products licensed or sold hereunder, which may include technology and software, are not only subject to the export control laws and regulations of the United States ("U.S.") but may also be subject to the export control laws and regulations of the country in which the Products are received. The Customer agrees to abide by all applicable export control laws and regulations. Under such laws and regulations, the Products purchased may not be sold, leased or otherwise transferred to restricted end-users or to restricted countries. In addition, the Products may not be sold, leased or otherwise transferred to, or utilized by, an end-user engaged in activities related to weapons of mass destruction, including but not necessarily limited to, activities related to the design, development, production or use of nuclear materials, nuclear facilities, or nuclear weapons, missiles or support of missile projects, or chemical or biological weapons. The Customer understands that applicable requirements or restrictions may vary depending on the Products delivered and may change over time and that, to determine the precise controls applicable to the Products acquired, it may be necessary to refer to relevant laws and regulations.

13. GOVERNING LAW

These Terms and Conditions shall be governed by and construed in accordance with the laws of The United States and the State of Texas, United States.

14. GENERAL

14.1 The Customer shall not be assign or otherwise transfer any Contracts or any of its rights and obligations hereunder whether in whole or in part without the prior written consent of AOS, Inc.. Any such unauthorized assignment shall be deemed null and void.

14.2 If any provision of these Terms and Conditions is held by any competent authority to be invalid or unenforceable in whole or in part, the validity of the other provisions of these Terms and Conditions and the remainder of the provisions in question shall not be affected thereby.

January 2005 Revised Edition