

1. General Conditions

Products and services furnished by PaR Systems, Ltd. ("PaR") are sold on the terms and conditions stated herein, the terms included in any applicable proposal submitted by PaR to Customer, and the terms included on any corresponding purchase order(s) for such Products and services, as agreed to in writing by PaR (collectively, the "Contract"). Notwithstanding any terms or conditions on Customer's order or other form, PaR's quotes and performance of any contract are expressly made conditional on Customer's agreement to all such terms and conditions contained in the Contract, unless otherwise specifically agreed to in writing by PaR. In the absence of such specific agreement, commencement of performance and/or delivery by PaR shall be for Customer's convenience only and shall not be deemed or construed to be a waiver of any of the terms and conditions set forth herein or as acceptance of any of Customer's terms and conditions. Acceptance of any Product or service by Customer shall be deemed acceptance of the terms and conditions stated in the Contract.

2. Prices/Payment Terms

Unless otherwise agreed in writing, prices are exclusive of all expense of shipment and delivery, including but not limited to, freight charges, export fees, special packaging, insurance, taxes, duties, tariffs and other special items. All prices and other charges are quoted and shall be paid in United Kingdom currency free of all expense to PaR for collection charges.

Payment terms are set forth in the Contract. No payment by Customer, or acceptance by PaR, at any time of a lesser amount than shall be due from Customer to PaR, or pursuant to a qualified endorsement, shall be treated other than as payment on account. Customer shall pay interest to PaR on any delinquent payment from the due date thereof until paid, at the rate of one and one-half per cent (1-1/2%) above the then-current National Westminster Bank plc's base rate per month.

Unless otherwise agreed in writing, Customer shall pay any future or present value added, sales, use, privilege, occupation, excise or other tax, custom duties, fee or charge of any kind whatsoever imposed by any governmental authority on the transaction set forth in the Contract, including, but not limited to those imposed upon or with respect to the production, sale, purchase, delivery, storage, manufacture, processing, use or consumption or any of the Products or services to be performed.

In the event that PaR incurs any costs due to the inability, unwillingness or other fault of Customer to perform in accordance with the Contract, including without limitation, performing its design approval, manufacturing, testing, timely delivery, installation and other Contract requirements, or if Customer otherwise suspends performance by PaR without PaR's prior written consent, any and all such costs, including without limitation, material costs and labor, storage fees, and administrative fees associated with the delay, shall be paid by Customer immediately to PaR. In addition to such payment, if PaR is delayed in achieving payment milestones set forth in the Contract due to such inability, unwillingness or other fault of Customer, PaR shall invoice as per the payment milestone dates set forth in the Contract and Customer shall pay PaR upon receipt, unless otherwise agreed in writing by PaR.

3. Shipping/Installation

Unless otherwise agreed in writing, the shipment terms for all Products will be F.O.B. or FCA (INCOTERMS 2000), as applicable, PaR's designated facility. Risk of loss of the Products shall pass to the Customer at the F.O.B. or FCA point. Delivery to Customer shall be deemed complete at such F.O.B. or FCA point.

All delivery dates specified by PaR are approximate and not guaranteed. PaR and Customer may mutually agree in writing to changes in the shipping schedule. Unless otherwise agreed in writing, the Products will be packed, crated and/or labeled in accordance with PaR's customary methods and procedures. If Customer requests or requires special packaging, crating, labeling, or variance from PaR's customary methods and procedures, such requests and requirements will be at Customer's expense.

If the Contract provides for installation of the Products, Customer agrees to perform all necessary preparations for efficient and complete installation, to unload all Products and place them adjacent to the place of installation, and to assist as required in the installation, all at Customer's sole risk and expense.

4. Excusable Delays

PaR shall not be liable for any delay, failure, loss or damage resulting from any delay in, failure or inability to complete any manufacturing, shipment, delivery or installation of the Products, performance of the services referred to herein or PaR's other Contract obligations, which directly or indirectly arise out of or result from any cause not reasonably within the control of PaR,

including, but not limited to, an act of God; the inability to obtain necessary labor, materials, equipment, utilities, services or facilities; any negligence, act, failure to act, or delay in acting caused by or on the part of Customer or any governmental authority; strikes or other labor difficulties arising from any cause whatsoever; accidents or destruction such as fire, explosion, flood, epidemics, war or civil disturbance; or other force majeure circumstances beyond the reasonable control of PaR (each an “**Excusable Delay**”). In the event of any Excusable Delay, PaR’s performance shall be extended by a period equal to the time lost by reason of such Excusable Delay, or such other extended period as is reasonable under all the circumstances.

5. Limited Warranty/Warranty Disclaimer

PaR warrants for twelve (12) months after commencement of the warranty period that all Products manufactured by PaR are free from defects in material and workmanship. The warranty period shall begin upon the first of the following events to occur: (a) the completion of installation; (b) Customer acceptance; or (c) ninety (90) days after delivery.

The warranty will be fulfilled by repair, or in the sole discretion of PaR, replacement of the defective Products. The cost of labor will be covered only if the part is returned to PaR for repair. With respect to services, PaR’s sole liability for any defect therein shall be to perform again, at PaR’s expense, such services.

The warranty is subject to fulfillment by Customer of all of the following conditions: (i) give PaR written notice of any claimed defect immediately upon discovery; (ii) provide easy access for PaR to inspect the claimed defective part in the configuration that the defect was discovered, and repair or replace the part as determined by PaR; and (iii) install, operate, use and maintain the Products in accordance with all provided and available instructions, guidelines and rules for the installation, operation, use and maintenance of such Products.

This warranty applies only to the original Customer. Defective Products and parts shall not be returned without PaR’s prior approval. All defective Products and parts returned to PaR shall the property of PaR.

THE FOREGOING WARRANTY IS SUBJECT TO CONSUMABILITY FOR DESIGNATED PRODUCTS AND PARTS AND NORMAL WEAR AND TEAR. NO WARRANTY IS MADE WITH RESPECT TO FAILURES OR DAMAGE DUE TO ACCIDENT, ABUSE, IMPROPER OPERATION, OR ABNORMAL ENVIRONMENTAL CONDITIONS UNKNOWN TO PaR; AND/OR SYSTEMS NOT INSTALLED BY PaR. EXCEPT AS EXPRESSLY SET FORTH HEREIN AND TO THE MAXIMUM

EXTENT PERMITTED BY APPLICABLE LAW, INCLUDING, WITHOUT LIMITATION, THE SALE OF GOODS ACT 1979, PaR HEREBY DISCLAIMS, AND CUSTOMER HEREBY WAIVES, ALL OTHER WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE (BUT EXCLUDING THE IMPLIED WARRANTY OF MERCHANTABILITY), AND ALL IMPLIED CONDITIONS, WHETHER STATUTORY OR OTHERWISE, WITH RESPECT TO ANY PRODUCTS AND SERVICES SOLD AND PERFORMED HEREUNDER. THE FOREGOING ARE PaR’s SOLE AND EXCLUSIVE OBLIGATIONS AND CUSTOMER’S SOLE AND EXCLUSIVE REMEDIES ON ACCOUNT OF THE PRODUCTS AND SERVICES THAT DO NOT CONFORM TO PaR’s EXPRESS WARRANTIES ABOVE.

6. Limitation Of Liability

NOTWITHSTANDING ANY PROVISION OF THE CONTRACT TO THE CONTRARY AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, REGARDLESS OF THE LEGAL THEORY UNDER WHICH LIABILITY IS IMPOSED, INCLUDING BY STATUTE, TORT (INCLUDING NEGLIGENCE), BREACH OF STATUTORY DUTY OR OTHERWISE, IN NO EVENT SHALL PaR BE LIABLE UNDER WARRANTY, INDEMNIFICATION OR ANY OTHER PART OF THE CONTRACT FOR ANY INDIRECT OR CONSEQUENTIAL DAMAGES, EVEN IF PaR WAS ADVISED, KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF ANY SUCH DAMAGES.

THE PARTIES ACKNOWLEDGE AND AGREE THAT THE FOREGOING INCLUDES, WITHOUT LIMITATION, LOST PROFITS, LOSS OF REVENUE, LOSS OF GOODWILL, LOSS OF PRODUCTION, LOSS OF USE, AND LOSS OF BUSINESS OPPORTUNITY.

FURTHER, IN NO EVENT SHALL PaR’s TOTAL LIABILITY FOR DIRECT DAMAGES UNDER THE CONTRACT EXCEED THE PRICE PAID, OR TO BE PAID, BY THE CUSTOMER FOR THE PRODUCTS AND SERVICES SOLD AND PERFORMED THEREUNDER. PaR ACKNOWLEDGES AND AGREES THAT IT DOES NOT ATTEMPT TO EXCLUDE OR LIMIT ITS LIABILITY TO CUSTOMER OR OTHERWISE FOR (a) PERSONAL INJURY OR DEATH RESULTING FROM ITS NEGLIGENCE (EXCEPT AS SET FORTH BELOW IN CONNECTION WITH A NUCLEAR

OCCURRENCE); (b) FRAUD AND INTENTIONAL MISREPRESENTATION; (c) WILLFUL MISCONDUCT; OR (d) ANY MATTER FOR WHICH IT WOULD BE ILLEGAL TO EXCLUDE OR ATTEMPT TO EXCLUDE OR LIMIT ITS LIABILITY TO CUSTOMER OR A THIRD PARTY.

EXCEPT FOR INJURY OR DAMAGE CAUSED BY THE ACTS OR OMISSIONS OF PaR DONE WITH THE INTENT TO CAUSE INJURY OR DAMAGE AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, PaR SHALL NOT HAVE ANY LIABILITY, LOSSES, COSTS AND EXPENSES OF ANY KIND, WHETHER BASED ON CONTRACT, WARRANTY, INDEMNITY OR TORT (INCLUDING NEGLIGENCE) TO CUSTOMER, ITS AFFILIATES OR ANY THIRD PARTY, OR THEIR RESPECTIVE INSURERS FOR NUCLEAR DAMAGE CAUSING INJURY TO ANY PERSON OR DAMAGE TO ANY PROPERTY CAUSED BY A NUCLEAR OCCURRENCE (AS DEFINED IN THE NUCLEAR INSTALLATIONS ACT 1965 AND 1969, AS AMENDED OR REPLACED (THE "ACT")) ARISING OUT OF OR RESULTING FROM THE PRODUCTS, SERVICES AND WORK, AND CUSTOMER HEREBY WAIVES ALL RIGHTS OF RECOURSE AGAINST PaR WITH RESPECT TO LIABILITY FOR THE SAME. NOTHING EITHER EXPRESS OR IMPLIED IN THE CONTRACT IS OR SHALL BE DEEMED TO BE A WRITTEN AGREEMENT FOR PaR TO INCUR LIABILITY WITHIN SECTION 12, SUBSECTION 3A OF THE ACT.

THE FOREGOING PARAGRAPHS PROVIDING FOR LIMITATION OF AND PROTECTION AGAINST LIABILITY OF PaR SHALL SURVIVE ANY TERMINATION, EXPIRATION OR CANCELLATION OF THE CONTRACT, AS WELL AS THE COMPLETION OF WORK, AND SHALL APPLY NOTWITHSTANDING ANY OTHER PROVISION OF THIS OR ANY OTHER CONTRACT BETWEEN THE PARTIES. EACH PARTY HEREBY ACKNOWLEDGES AND AGREES THAT THE FOREGOING PROVISIONS ARE FAIR AND REASONABLE HAVING REGARD TO THE COMMERCIAL CIRCUMSTANCES OF THE CONTRACT.

7. Cancellation

At any time prior to completion of the Contract, Customer may cancel the Contract upon written notice to PaR; provided, however, Customer shall pay PaR, within thirty (30) days of such cancellation, all costs and expenses incurred by PaR prior to receipt of such notice

of cancellation, including such costs and expenses incurred for all labor, supplies and material, engineering work, services, pertinent overhead expenses and all commitments made to PaR's suppliers, subcontractors and others, plus a cancellation charge equal to twenty percent (20%) of the total of all such costs and expenses; provided that in the event that the total of such costs and expenses, plus the cancellation charge, exceed the price set forth in the Contract, Customer shall be liable only for the price set forth in the Contract.

8. Indemnification/Intellectual Property

Customer will indemnify and hold harmless PaR, its parent company and affiliates, and their respective officers, directors, shareholders, employees, agents and representatives and, at the request of PaR, defend any action brought against same with respect to any claims, judgments, actions, suits, demands, damages, liabilities, costs or expenses (including, but not limited to, reasonable attorneys' fees and legal expenses) associated with or arising from Customer's ownership, use or operation of the Products. Customer specifically waives any immunity provided against this indemnity by an industrial insurance or workers' compensation statute, as applicable.

PaR shall defend or settle any suit or proceeding brought against Customer to the extent that it is based on a claim that any Products made to PaR design infringe any existing United Kingdom patent, provided that PaR is notified in writing by Customer within ten (10) days of Customer's knowledge of such claim or service of process in such infringement action, whichever is earlier, and PaR is given complete authority, information, and assistance for defense of same. PaR shall pay all damages awarded therein against Customer on account of any such infringement, but PaR shall not be responsible for any cost, expense or compromise incurred by Customer without PaR's prior written consent.

If any Product is, in PaR's opinion, likely to or does become the subject of a claim for patent infringement, or in case any such Product in such suit is held to constitute infringement and the use of such Product is enjoined, PaR may at its expense and option either (a) procure for Customer rights to continue using the infringing Product; (b) modify or replace the infringing Product so that it becomes non-infringing; or (c) accept return of the Product and refund to Customer the amount paid for the Product. The foregoing state PaR's entire liability for patent infringement by Products.

The two preceding paragraphs of this Section 8 shall not apply to, and PaR shall have no responsibility respecting infringement by, (i) use of Products in a manner or for a

purpose other than that specified in the Contract or in PaR-published literature or other materials furnished by PaR to Customer; (ii) unauthorized alterations or additions to the Products by Customer; (iii) use of Products in combination with other products in a system not designed by PaR that are the cause of such infringement claim; (iv) use of Products for practice of a method not designed by PaR; or (v) any Product manufactured by PaR in accordance with the design, instructions or specifications required by Customer. No license is granted or patent indemnity made, and neither of the foregoing are to be implied, with respect to the patent rights of third parties that pertain to methods or processes which may be performed by the Products, or to articles which may be manufactured by the use of such Products.

All right, title and interest in and to any and all intellectual property rights in and to PaR's Products and services, and all underlying methods, processes, ideas, concepts, information and know-how related thereto, owned, licensed or otherwise controlled by PaR prior to the Contract effective date shall remain vested in PaR following the Contract effective date. Further, all right, title and interest in and to any and all intellectual property rights of PaR that arise after the Contract effective date and are related to the Products and services sold and performed under the Contract or otherwise, including, without limitation, any and all inventions, innovations and discoveries of PaR, shall vest in PaR. In conjunction with the foregoing, Customer shall not reproduce, distribute, modify, create derivative works of or license, sublicense or otherwise use for any third party any PaR intellectual property, nor shall Customer attempt to derive any of the underlying structure or methodology of any PaR intellectual property. All PaR intellectual property, and any embodiments or manifestations thereof, shall be deemed Confidential Information (as defined below in Section 11) and treated accordingly.

9. Title Retention/Insurance

Title to the Products shall remain with PaR until the entire purchase price, whether represented by notes, open account or otherwise, is paid in cash to PaR.

Customer acknowledges and agrees that until title transfers to Customer, Customer shall:

- a) Maintain the Products in good operating condition and keep the Products free from liens, claims and encumbrances, permit inspections by PaR at all reasonable times, not use or permit use of Products in any manner injurious to them, not remove or permit removal of the Products from their original installation location, and not make or

permit any alteration to the Products without the prior written consent of PaR; and

- b) Obtain and maintain at Customer's sole expense, fire, hazard, extended coverage, vandalism and malicious mischief insurance covering the Products in an amount sufficient to protect PaR's interest in the Products, with such policies of insurance to be made payable to PaR at the time of loss. Customer shall assume all resulting loss that PaR may not recover through such insurance.

10. Customer's Default

If Customer fails to make any payment due or otherwise breaches any covenant or obligation under the Contract, and such breach remains uncured for a period of ten (10) days following receipt of written notice from PaR detailing such breach, PaR may, in addition to all remedies available at law or in equity, (a) declare the entire unpaid balance of the Contract immediately due and payable without further notice; (b) defer shipment under the Contract, and under any other contract with Customer; (c) cancel any undelivered portion of the Contract or any other contract with Customer, in whole or in part, in which event Customer shall pay PaR cancellation charges in accordance with Section 7 above; and (d) terminate the Contract, in whole or in part, for default.

11. Confidential Information

PaR may provide to Customer certain of its confidential, proprietary and trade secret business or technical information in connection with its performance under the Contract (collectively, "**Confidential Information**"). Confidential Information includes, but is not limited to, technical data, design drawings, know-how, information relating to research, products, software, services, development, inventions, processes, engineering, marketing, techniques, internal procedures, business and marketing plans or strategies, finances, employees, and business opportunities. Without the prior written consent of PaR, Customer shall not at any time disclose, or cause or permit any employee, agent or affiliated, controlled or controlling entity of Customer to disclose, to any person, firm, corporation, or other third party, or use for its own or their benefit, or reproduce, the Confidential Information. Upon cancellation or termination of the Contract, Customer shall promptly return to PaR, or destroy as directed by PaR (with certification of same), all Confidential Information, including copies thereof.

12. Waiver

No waiver by a party shall be effective unless in writing and signed by a duly authorized representative of that

party. No waiver shall be inferred from a party's conduct.

13. Severability

In the event any provision contained herein is invalid as applied to any fact or circumstances, its invalidity shall not affect the validity of any other provisions or of the same provision as applied to any other fact or circumstances.

14. Contracts (Rights of Third Parties) Act 1999

Except as may be expressly provided to the contrary in the Contract or these Terms and Conditions, a person who is not a party to the Contract has no rights under the Contracts (Rights of Third Parties) Act 1999 to take benefit of or enforce any term of the Contract. Any third party who is so expressly permitted to take the benefit of or enforce any term of the Contract acknowledges and accepts the rights of the parties to rescind, alter, waive, amend or otherwise vary the terms of the Contract by whatever means without the prior approval of the third party notwithstanding such action increases, decreases, extinguishes or varies the express rights of a third party under the Contract.

15. Governing Law/Venue/Export Laws

The Contract and these Terms and Conditions shall be governed and interpreted in accordance with English law. Specifically excluded are the provisions of the UN Convention on the International Sale of Goods (1980) and the UN Convention On the Limitation Period In The International Sale of Goods, as Amended By Protocol.

Each of the parties hereby (a) agrees that any litigation, action or proceeding arising out of or relating to this Contract shall be instituted in an applicable court only in London, England; (b) waives any objection that it may have now or hereafter to the venue of any such litigation, action or proceeding; (c) irrevocably submits to the jurisdiction of any such court in any such litigation, action or proceeding; and (d) waives any claim or defense of inconvenient forum. Each of the parties hereby consents to service of process by registered mail, return receipt requested, at such party's corporate headquarters.

Customer agrees that all applicable import and export control laws, regulations, orders and requirements, including, without limitation, those of the United Kingdom and the European Union, and the jurisdictions in which PaR and Customer are established or from which Products may be supplied, will apply to its receipt and use of Products. In no event shall Customer use, transfer, release, import, export or re-export Products or Confidential Information in violation of such applicable laws, regulations, orders or requirements.

16. Non-Exclusive Remedies

All rights and remedies of PaR shall be cumulative and the rights and remedies provided herein are in addition and not in lieu of any rights and remedies PaR may have under law. The exercise by PaR of any one right or remedy shall not exclude any other right or remedy allowed by law.

17. Assignment/Subcontracting

The Contract shall not be assigned without the written approval of duly authorized representatives of both PaR and Customer, except that the Contract may be assigned by PaR without the approval of Customer (a) to its parent company or an affiliate of PaR; (b) pursuant to a merger, consolidation or similar business combination that results in a change of control of PaR; or (c) to an acquirer of all or substantially all of the assets of PaR. Any unauthorized assignment shall be deemed null and void. Notwithstanding the foregoing, PaR reserves the right, in its sole discretion, to subcontract all or any part of the Contract; provided, however, PaR shall remain responsible for its performance obligations under the Contract and the acts and omissions of its subcontractors.

18. Entire Agreement/Amendments/Flowdown Provisions

The Contract constitutes the entire agreement and understanding between PaR and Customer, with respect to the Products and services to be sold and performed hereunder. The Contract shall supersede and prevail over all prior communications between PaR and Customer, whether oral or written. All amendments or modifications to the Contract must be in writing and signed by authorized representatives of both PaR and Customer.

[Customer to insert (either here or on the face of the PO) nuclear indemnification flowdown language included in its prime contract, along with any other regulatory flowdowns that are mandated by such contract.]