

## TERMS AND CONDITIONS OF SALE

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These Terms and Conditions of Sale ("**Agreement**"), together with any other terms and conditions specifically agreed to in writing by Seller, shall apply to all purchase orders ("**Purchase order(s)**") from, and sales of products ("**Products**") or services ("**Services**") to Buyer. Seller is Intepro Systems America, LP ("**Seller**").

Any acceptance of any purchase order of Buyer is expressly conditioned upon these Terms and Conditions. Any additional or different terms and conditions proposed by Buyer in any document are objected to and shall not be binding upon Seller. No salesperson is authorized to bind Seller to any promise or understanding not expressed herein.

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### I. PRICES

Seller reserves the right to adjust pricing due to factors beyond its control, including changes in the cost of material or labor, specifications, quantities, delivery schedules, or customs duties. Seller will provide the Buyer with at least 14 business days' written notice of any such change.

Price adjustments may also occur due to delays caused by the Buyer's instructions or wrong or incorrect instructions, or the failure of the Buyer to provide adequate information. However, no price change shall apply to any purchase order already accepted by the Seller in writing prior to the effective date of the notice. All prices exclude taxes, including but not limited to Value Added Tax (VAT), Sales, Import Duties (as applicable) and other governmental charges.

### II. DELIVERY

Delivery dates are approximate and depend on prompt receipt of all necessary information by Seller. Seller may deliver all or any part of the Products or Services as early as fourteen (14) days in advance of the agreed schedule unless otherwise agreed in writing. The point of delivery shall be "Ex Works" Seller's premises unless otherwise specified by Seller. Title to Products and all risk of loss or damage shall pass to Buyer at the point of delivery (Seller's premises) upon tender of the Products to the carrier.

If Buyer notifies Seller that it cannot take timely delivery, Seller may place such Products in storage at the risk of Buyer. Buyer shall reimburse Seller for all reasonable, documented, out-of-pocket expenses incurred for such storage or alternatives can be negotiated by the Seller in writing as long as both parties agree. Buyer shall dispose of packing materials at its own expense and shall defend, indemnify, and hold harmless Seller from any legal obligations regarding packing waste.

### III. PAYMENT

- A. Standard Terms. The standard term of payment shall be thirty (30) days from the date of Seller's invoice ("Net 30"), unless alternative payment terms are expressly negotiated and stated on the applicable purchase order accepted in writing by Seller. Payments shall be made by Buyer without any deduction or set off, except where Buyer has received a written credit memo or written authorization from an authorized representative of Seller, or where a court of competent

jurisdiction has entered a final, non-appealable judgment in Buyer's favor. Unless otherwise agreed in writing, all payments shall be made in US Dollars. Seller may charge late payment fees on overdue balances at the rate of 1.5% per month (18% per annum), or the highest rate permitted by applicable law, whichever is less, accruing daily from the due date until paid in full.

- B. New Customers. All first-time Buyers are required to pay fifty percent (50%) of the total purchase order value as a deposit at the time of purchase order placement, with the remaining fifty percent (50%) due upon shipment ("50/50 Terms"). Standard Net 30 terms may be extended to Buyer upon satisfactory completion of a credit review at Seller's sole discretion.
- C. Cinergia Products. All purchase orders for Cinergia-branded Products are accepted exclusively on 50/50 Terms (fifty percent (50%) deposit at purchase order placement, fifty percent (50%) due upon shipment), regardless of Buyer's credit standing or prior payment history.
- D. Extended Payment Terms. Any extended payment term requests must be agreed to prior to Buyer's purchase order
- E. Credit Review. If the financial condition of Buyer is unsatisfactory to Seller in Seller's reasonable judgment, Seller may require full or partial payment in advance, or satisfactory security in the form of a letter of credit or otherwise, prior to accepting or continuing to process any Purchase order. Seller will establish and may adjust a credit limit for Buyer based on Buyer's financial condition and payment history. If the aggregate of outstanding purchase order and existing accounts payable to Seller exceeds Buyer's then-current credit limit, Seller may require prepayment or a deposit before accepting additional purchase order. In the event of bankruptcy, insolvency, assignment for the benefit of creditors, or the appointment of a receiver for Buyer, Seller may immediately cancel any purchase order then outstanding without liability.
- F. Security Interest. Buyer grants to Seller a purchase money security interest in all Products located in the United States, and in any proceeds thereof, for the purpose of securing Buyer's payment obligations hereunder. Buyer authorizes Seller to execute on Buyer's behalf and file such UCC financing statements as Seller deems reasonably appropriate to perfect and provide notice of Seller's security interest. Seller agrees to release such security interest promptly upon receipt of payment in full for the applicable Products.
- G. Small Business Status; Accelerated Payment Rights (FAR 52.232-40). Seller is a qualifying small business concern as defined under the Small Business Act and applicable SBA size standards for its industry classification. Where Seller is performing as a subcontractor under a federal prime contract that includes FAR 52.232-40 (Providing Accelerated Payments to Small Business Subcontractors), Buyer, if acting as the prime contractor, shall make accelerated payments to Seller, to the maximum extent practicable, within fifteen (15) days after receipt of both the accelerated payment from the Government and a proper invoice and all required supporting documentation from Seller, without any additional consideration, fees, or charges to Seller. This accelerated payment obligation does not create any new rights under the Prompt Payment Act (31 U.S.C. 3903). Buyer shall include the substance of FAR 52.232-40, including its flow-down requirement, in any lower-tier subcontract with small business concerns under the applicable government prime contract.

- H. Credit Card Payments. Notwithstanding the deposit or installment terms (e.g., 50/50 Terms) set forth in Sections III.B and III.C, all purchase orders paid via credit card or other electronic payment card shall be charged for the full Purchase order value (100%) at the time of shipment unless specifically authorized in writing by both parties.
- I. Change Orders. Buyer may request changes to the Products, Services, specifications, configurations, quantities, delivery schedules, software, documentation, or other requirements ("Change Request"). No Change Request shall be binding unless expressly accepted in writing by Seller. Upon receipt of a Change Request, Seller shall evaluate the impact of the proposed change on price, delivery schedule, lead time, engineering effort, materials, testing, regulatory requirements, and any other applicable terms. Seller may, in its discretion, issue a written change order ("Change Order") setting forth any adjustments to pricing, delivery dates, milestones, payment terms, or other contractual provisions resulting from the Change Request. Buyer acknowledges and agrees that:
- (a) Seller shall have no obligation to proceed with any Change Request unless and until Buyer accepts the applicable Change Order in writing;
  - (b) any approved Change Order shall amend the applicable purchase order and these Terms solely with respect to the matters expressly stated therein; and
  - (c) Seller may suspend performance of the affected portion of the purchase order until such time as the Change Order is executed by both parties. Seller shall not be responsible for any delay, nonperformance, or cost increase arising from Buyer-initiated changes, delays in approvals, or failure to timely execute a Change Order.

#### **IV. PURCHASE ORDER CANCELLATION**

- A. Cancellation Request. Buyer may request cancellation of a purchase order only in writing to an authorized representative of Seller. Because Seller incurs immediate costs upon purchase order acceptance, including engineering review, administrative processing, and component allocation, the following cancellation charges apply based on the date notice is received:
- (i) Within fourteen (14) days of purchase order placement (regardless of delivery date): A cancellation charge equal to fifteen percent (15%) of the total purchase order value shall be due and payable by Buyer to Seller. This fee covers administrative and initial engineering costs incurred by Seller.
  - (ii) After fourteen (14) days of purchase order placement but sixty (60) days prior to the scheduled delivery date: A cancellation charge equal to fifty percent (50%) of the total purchase order value shall be due and payable by Buyer to Seller.
  - (iii) Within sixty (60) days prior to the scheduled delivery date up to and including the delivery date: A cancellation charge equal to one hundred percent (100%) of the total purchase order value shall be due and payable by Buyer to Seller. Notwithstanding the foregoing, Seller shall use commercially reasonable efforts to mitigate its losses by reselling cancelled Products to another buyer. In the event Seller can resell cancelled Products, Seller shall credit Buyer for the net proceeds actually received from such resale, up to the amount of cancellation charges paid by Buyer, within thirty (30) days of receipt of such proceeds.

- B. **Payment of Cancellation Charges.** All cancellation charges shall be invoiced by Seller and shall be due and payable by Buyer within thirty (30) days of the date of Seller's invoice. Any deposits or advance payments made by Buyer shall be applied against any cancellation charges owed, with any remaining balance due from Buyer payable as set forth herein. Cancellation charges represent a reasonable estimate of damages and costs incurred by Seller, including costs of materials, labor, subcontractor commitments, and lost profits, and are not a penalty.
- C. **Confirmation Required.** Seller reserves the right to accept or reject any cancellation request at its sole discretion. Acceptance of a cancellation request does not constitute a waiver of Seller's right to collect applicable cancellation charges as set forth herein. No cancellation shall be effective until confirmed in writing by an authorized representative of Seller.
- D. **State Law Exceptions.** Notwithstanding the cancellation schedule set forth in Section IV.A above, to the extent that the law of the state in which Buyer is located mandates specific cancellation rights that cannot be waived by contract, such mandatory state law rights shall govern and shall supersede the otherwise applicable cancellation charges herein, but only to the minimum extent required by applicable law. The following state-specific provisions are expressly incorporated where applicable:
- (i) The Seller is headquartered in California, and these Terms are governed by California law. For all commercial (B2B) transactions, cancellations are strictly governed by the schedule in Section IV.A. California's statutory "cooling-off" and rescission rights (including Civil Code § 1689.5 and Business and Professions Code § 17538) apply exclusively to qualifying consumer transactions and do not apply to commercial purchase order for Products or Services. If a specific purchase order is found to be subject to a mandatory statutory rescission right by law, the Buyer may cancel within the legally prescribed period without penalty; otherwise, all commercial cancellations remain subject to the fees in Section IV.A.
  - (ii) Texas. For Buyers located in Texas, the cancellation schedule in Section IV.A governs all commercial (B2B) transactions. Texas statutory rescission rights (Business and Commerce Code § 39.001 et seq.) apply only to specific consumer transactions and do not create a general right to cancel commercial purchase order. To the extent any transaction is subject to a mandatory Texas statutory rescission right, such right shall be honored in accordance with the applicable statute without cancellation charge.
  - (iii) New York. For Buyers located in New York, the cancellation schedule in Section IV.A governs all commercial (B2B) transactions. New York's home solicitation sales law (Personal Property Law § 425 et seq.) provides rescission rights only for qualifying consumer transactions and does not apply to commercial purchase order. To the extent any transaction qualifies under mandatory New York consumer cancellation statutes, Buyer's statutory rescission right shall be honored without cancellation charge.
  - (iv) Florida. For Buyers located in Florida, the cancellation schedule in Section IV.A governs all commercial (B2B) transactions. The Florida Home Solicitation Sales Act (§ 501.021 et seq.) provides consumers a right to cancel certain contracts; however, this right does not apply to commercial purchase order placed by businesses. To the extent any transaction is subject to

mandatory Florida consumer cancellation rights, such rights shall be honored without cancellation charge.

- (v) Washington. For Buyers located in Washington, the cancellation schedule in Section IV.A governs all commercial (B2B) transactions. Washington's Consumer Protection Act (RCW 19.86) and retail installment laws provide cancellation rights only for qualifying consumer sales and do not apply to commercial purchase order. To the extent any transaction qualifies for mandatory Washington consumer cancellation rights, such rights shall be honored without cancellation charge.
  - (vi) Illinois. For Buyers located in Illinois, the cancellation schedule in Section IV.A governs all commercial (B2B) transactions. The Illinois Consumer Fraud and Deceptive Business Practices Act (815 ILCS 505) provides certain cancellation rights for qualifying consumer transactions, which do not apply to commercial purchase order for Products or Services. To the extent any transaction qualifies for mandatory Illinois consumer cancellation rights, such rights shall be honored without cancellation charge.
  - (vii) Federal (All States). The Federal Trade Commission's Cooling-Off Rule (16 CFR Part 429) applies to qualifying consumer purchases only and does not apply to commercial B2B transactions, products purchased primarily for business purposes, or custom-made and specially fabricated goods. To the extent any transaction qualifies under the FTC Cooling-Off Rule, Buyer shall receive written notice of cancellation rights as required by law, and timely cancellation under the Rule shall not be subject to cancellation charges.
- E. Custom and Made-to-order Products. Notwithstanding any other provision of this Section IV or any applicable state or federal cooling-off or cancellation statute, purchase order for Products that are custom-manufactured, specially fabricated, or built to Buyer's specifications are expressly excluded from any statutory cooling-off or cancellation right to the extent permitted by applicable law, as such Products cannot be returned to stock or resold in the ordinary course of Seller's business.
- F. UCC Liquidated Damages Compliance. The cancellation charges set forth in this Section IV are intended to constitute liquidated damages and not a penalty, consistent with the Uniform Commercial Code ("UCC") as adopted in the applicable jurisdiction. The following state-specific UCC provisions apply to the extent required by applicable law:
- (i) California (Cal. Civ. Code Section 1671). For commercial (non-consumer) contracts, cancellation charges are presumptively valid unless Buyer establishes, they were unreasonable at the time of contract formation. Cancellation charges are void with respect to any Buyer purchasing Products or Services primarily for personal, family, or household use unless Seller demonstrates the charges were impracticable or extremely difficult to fix in advance. Seller confirms this cancellation charges represent a reasonable pre-estimate of Seller's anticipated losses, including committed material costs, labor, subcontractor purchase order, and lost margin.
  - (ii) New York (N.Y. UCC Section 2-718). Liquidated damages in contracts for the sale of goods are enforceable only if reasonable in light of the anticipated or actual harm caused by the cancellation, the difficulties of proof of loss, and the inconvenience or no feasibility of otherwise obtaining an adequate remedy. Any cancellation charge found to constitute an

unreasonably large penalty shall be void to that extent, and Seller's recovery shall be limited to actual provable damages. Buyer may be entitled to restitution of any amount paid in excess of the lesser of: (a) the stipulated cancellation charge, or (b) twenty percent (20%) of the value of the total purchase order or five hundred dollars (\$500.00), whichever is smaller, subject to offset for Seller's actual damages.

- (iii) Texas (Tex. Bus. and Com. Code Section 2.718). Texas follows the UCC standard requiring that liquidated damages be reasonable in light of anticipated or actual harm. Cancellation charges that are grossly disproportionate to actual damages may be declared unenforceable as a penalty. Texas does not impose a statutory right of cancellation for commercial B2B contracts outside of specific regulated industries.
  - (iv) Florida (Fla. Stat. Section 672.718). Florida enforces liquidated damages provisions in commercial sales contracts where the amount is reasonable in light of anticipated or actual harm and the difficulties of proof of loss. Buyer acknowledges that these cancellation charges were negotiated at arm's length and represent a reasonable pre-estimate of Seller's losses.
  - (v) Illinois (810 ILCS 5/2-718). Illinois courts evaluate whether: (1) actual damages were difficult to ascertain at the time of contracting, and (2) the agreed amount was a reasonable estimate of probable damages. Provisions found to be penalties rather than genuine pre-estimates of loss will not be enforced.
  - (vi) Washington (RCW 62A.2-718). Washington applies the UCC reasonableness standard to liquidated damages in commercial sales contracts. Buyer and Seller acknowledge that Seller's losses upon cancellation (including custom-configured equipment, committed vendor purchase order, allocated manufacturing capacity, and engineering costs) are inherently difficult to quantify at the time of purchase order placement.
  - (vii) Massachusetts (M.G.L. c. 106, Section 2-718). Liquidated damages are enforceable if reasonable in relation to anticipated or actual harm. The parties acknowledge that these terms satisfy the implied covenant of good faith and fair dealing through arms-length negotiation.
- G. General Savings Clause. To the extent that the cancellation charges set forth in this Section IV are found to be unenforceable under the law of any jurisdiction in which a dispute is adjudicated, such charges shall be modified to the minimum extent necessary to make them enforceable under applicable law, and all other terms of this Agreement shall remain in full force and effect. In no event shall the invalidity of any cancellation charge provision in one jurisdiction affect the enforceability of such provision in any other jurisdiction.

## **V. EXPORT CONTROLS; FCPA; ANTI-BOYCOTT**

- A. Export Controls. Buyer shall not make any disposition of the Products, by way of transshipment, re-export, diversion or otherwise, except as applicable US export laws and regulations may expressly permit, and only to the ultimate country of destination specified on purchase order(s) or declared as the country of ultimate destination on Seller's invoice or in the End Use Statement that Buyer supplies to Seller. Seller shall not be named as shipper or exporter of record or US Principal Party-in-Interest (USPPI) unless specifically agreed to in writing by Seller, in which case Buyer shall

provide Seller with a copy of the documents filed by Buyer for export clearance purposes. At Seller's request, Buyer shall supply end-use and end-user information to determine export license applicability. Failure of Buyer to comply with this section shall constitute a material default allowing Seller to cancel related purchase order(s) without liability.

- B. Foreign Corrupt Practices Act. Buyer warrants that it shall not violate or cause Seller to violate the US Foreign Corrupt Practices Act of 1977 (FCPA), as amended, in connection with Buyer's sale or distribution of the Products and/or Services, and that Buyer does not know or have reason to believe that any consultant, agent, representative or other person retained by Buyer in connection with such sale or distribution has violated, or caused Seller to violate, the FCPA. Where Buyer learns of or has reason to know of any violation of the FCPA in connection with the sale or distribution of the Products and/or Services, Buyer shall immediately advise Seller.
- C. Anti-Boycott. Buyer further warrants that Buyer shall not violate or cause Seller to violate the US Antiboycott Provisions of the US Export Administration Regulations issued pursuant to the US Export Administration Act of 1979, as amended, in connection with Buyer's purchase of Products and/or Services, and that Buyer shall not request or require Seller to make any statements or certifications against countries that are not subject to boycott by the US.

## **VI. WARRANTIES**

- A. Product Warranty. Seller warrants that Products manufactured by Seller, when delivered, shall be free from defects in material and workmanship. Seller's obligations under this warranty shall be limited exclusively to repairing or replacing, at Seller's option, any part of the Products which, if properly installed, used and maintained, proved to have been defective in material or workmanship within the applicable warranty period. Warranty periods are as follows: one (1) year for Intepro designed systems; and two (2) years for Delta Elektronika, Cinergia, and Ainuo products. Seller warrants that Services performed shall be performed in accordance with generally accepted industry practice.
- B. Software and Firmware Warranty. Seller warrants for a period of one (1) year from the date of shipment that software or firmware, when used with the Products, shall perform in accordance with Seller's published specifications. Seller makes no warranty, express or implied, that the operations of the software or firmware shall be uninterrupted or error-free, or that functions contained therein shall meet or satisfy Buyer's intended use or requirements.
- C. Defect Notification. Buyer shall notify Seller of any defect in the quality or condition of the Products (including any software or firmware) or Services within thirty (30) days of the date of delivery or performance, unless the defect was not apparent on reasonable inspection, in which case within thirty (30) days after discovery of the defect. If Buyer does not provide such timely notification, it shall not be entitled to reject the Products (including any software or firmware) or Services, and Seller shall have no liability for such defect. The original warranty period shall not be extended or tolled while a Product is in Seller's possession for repair or evaluation. However, any repair performed or replacement part provided by Seller shall be warranted for a period of ninety (90) days from the date of return shipment to Buyer or for the remainder of the original warranty

period, whichever is longer. This repair warranty applies exclusively to the specific parts or labor performed during said repair.

- D. **Warranty Exclusions.** Seller's warranty obligations shall not apply to any Products which (1) have been altered or repaired by someone other than Seller, (2) have been subjected to misuse, neglect, or improper use or application, (3) are normally consumed in operation, or (4) have a normal life inherently shorter than the warranty period stated herein.
- E. **Returns.** No Products may be returned unless authorized in advance by Seller, and then only upon such conditions to which Seller may agree. Buyer must obtain a Return Material Authorization (RMA) number from Seller prior to any return shipment, and such RMA number must appear on the shipping label and packing slip. Buyer shall be responsible for the returned Products until such time as Seller receives the same at its facility, and for all charges for packing, inspection, shipping, transportation or insurance associated with returned Products.
- F. **Exclusive Remedy.** This Section VI sets forth Buyer's sole and exclusive remedies and Seller's entire liability for any claims arising out of or relating to the Products or Services, whether based on contract, warranty, tort (including negligence of any degree or strict liability), statute, or otherwise. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, SELLER MAKES NO OTHER WARRANTIES OR REPRESENTATIONS OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE. WITHOUT LIMITING THE FOREGOING, AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, SELLER EXPRESSLY DISCLAIMS ALL IMPLIED AND STATUTORY WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT Seller does not warrant that the Products or Services will meet Buyer's specific requirements, achieve any particular performance results, or operate without interruption or error, except as expressly stated in this Agreement. No affirmation of fact, sample, model, description, or representation whether oral or written shall be deemed to create any warranty not expressly set forth herein
- G. **Calibration and Measurement Traceability.** Where Products are shipped with calibration documentation, Seller warrants that all calibration performed by Seller prior to shipment is traceable to the applicable national metrology authority, including the National Institute of Standards and Technology (NIST) for domestic shipments, or to the corresponding national standards body for international shipments, in accordance with ISO/IEC 17025 or equivalent recognized standards. Calibration documentation shall be provided with the applicable Product at the time of shipment. Seller makes no warranty that Products will remain in calibration after delivery; Buyer is responsible for establishing and maintaining any ongoing calibration program required for Buyer's applications. Re-calibration services are available from Seller upon request and are subject to separate pricing and scheduling.

## **VII. PATENTS/INDEMNITY**

- A. **Patent Claims.** If Buyer receives a claim that Products, or any part thereof manufactured by Seller, infringe a patent, Buyer shall notify Seller promptly in writing and give Seller information, assistance and exclusive authority to evaluate, defend and settle such claim.



- B. Buyer Specifications. Where Buyer has furnished specifications or designs for the manufacture of allegedly-infringing Products, Buyer shall defend, indemnify and hold harmless Seller against any third-party claims of infringement arising out of Seller's use of such specifications or designs.

## VIII. **LIMITATION OF LIABILITY**

The total liability of Seller on any claim, whether in contract, tort (including negligence of any degree and strict liability), or otherwise arising out of, connected with, or resulting from the manufacture, sale, delivery, resale, repair, replacement, or use of any Products or Services, shall not exceed the price allocable to the specific Products or Services (or part thereof) which give rise to the claim.

In no event, whether as a result of breach of contract, warranty, tort (including negligence of any degree, strict liability, or patent infringement), or otherwise, shall Seller, its affiliates, subcontractors, or suppliers be liable for any loss of profit or revenues, loss of use of the Products or Services or any associated equipment, cost of capital, cost of substitute goods, facilities, services, or replacement power, downtime costs, or claims of Buyer's customers for damages, or for any special, proximate, consequential, incidental, indirect, or exemplary damages.

If Buyer transfers title to, or leases the Products sold hereunder to, or otherwise permits or suffers use by any third party, Buyer shall obtain from such third party a provision affording Seller and its subcontractors and suppliers the protection of the preceding sentence. Any action against Seller must be brought within twenty-four (24) months after the cause of action accrues, or within the applicable warranty period, whichever is longer.

## IX. **EXCUSABLE DELAYS**

- A. Force Majeure. Seller shall not be liable for delays in delivery or failure to perform due directly or indirectly to causes beyond Seller's reasonable control, including but not limited to: acts of God; war; terrorism; civil commotion; riots; embargoes; government regulation, purchase orders, instructions or priorities; port congestion; acts of or failure to act on the part of Buyer or its agents or employees; fires; floods; sabotage; earthquakes; storms; epidemics, pandemics, public health emergencies, or government-mandated shutdowns, quarantines, or restrictions arising therefrom; strikes; lockouts or other labor difficulties; shortages of or inability to obtain in a timely manner proper labor, materials, components, shipping space or transportation, fuel, supplies or power at current prices; or limitations imposed by the availability of Seller's normal manufacturing facilities.
- B. Termination for Extended Delay. If a delay excused per Section IX.A above extends for more than ninety (90) days and the parties have not agreed upon a revised basis for continuing to provide the Products or Services, including adjustment of the price, then either party (except where delay is caused by Buyer, in which event only Seller) upon thirty (30) days' written notice may terminate the purchase order with respect to the unexecuted portion of the Products or Services. In the event Seller terminates an purchase order pursuant to this Section IX.B due to an excusable delay not caused by Buyer, Seller shall refund to Buyer all deposits and advance payments made with respect to the terminated purchase order within thirty (30) days of the effective date of

termination, less only Seller's documented, non-recoverable costs actually incurred prior to the excusable delay event.

## **X. SOFTWARE/TECHNICAL/PROPRIETARY INFORMATION**

- A. **Software License.** Buyer shall not acquire any rights to any software which may be delivered with the Products, except as granted in Seller's standard software license. Any software license granted in connection with the Products shall be an interim license, which may be withdrawn pending payment for the Products in full. For purposes of this section, "withdrawal" of a software license means Seller's right to demand return or deletion of the software and to cease providing updates or support; it shall not include any right to remotely disable, deactivate, or otherwise interfere with software already installed and operating on Buyer's systems without a court purchase order or Buyer's prior written consent.
- B. **Technical Information.** The purchase of Products shall not include any right to the supply of technical information such as drawings or specifications.
- C. **Proprietary Data.** Proprietary information, including drawings, documents, technical data, reports, software, designs, inventions and other technical information supplied by Seller in connection herewith ("Data"), shall remain Seller's sole property and shall be held in confidence by Buyer. Such Data shall not be reproduced, used or disclosed to others by Buyer without Seller's prior written consent. Upon completion of the purchase order, Buyer shall promptly return all Data to Seller together with copies or reprints thereof then in Buyer's possession or control, and Buyer shall thereafter make no future use, either directly or indirectly, of any Data or information derived therefrom without Seller's prior written consent. The foregoing shall in no way obligate Seller to provide or supply Data.

## **XI. DIES, TOOLS, PATTERNS**

Seller's charges for dies, molds, patterns and the like represent Buyer's proportionate cost thereof; it being expressly understood that they remain the property of Seller. Modifications made to dies, molds, patterns and the like in purchase order to manufacture the Products shall be at the discretion of Seller. Notwithstanding Seller's ownership of such tooling, Buyer shall have a non-exclusive, irrevocable license to use such tooling solely for the purpose of purchase ordering Products from Seller during the term of any active commercial relationship between the parties. In the event Seller ceases to manufacture the applicable Products or terminates its commercial relationship with Buyer, Seller shall offer Buyer the right of first refusal to purchase such tooling at Seller's then-current book value.

## **XII. GENERAL**

- A. **Governing Law and Forum.** The rights and obligations of Buyer and Seller hereunder shall be governed in all respects by the law of the State of California, USA. The exclusive forum for adjudication of any disputes shall be the federal or state courts of the County of Orange, and the parties hereby consent to personal jurisdiction and venue in such courts in any proceeding. Notwithstanding the foregoing, for Buyers located outside the United States, disputes may at

Buyer's election be submitted to binding arbitration under the Rules of Arbitration of the International Chamber of Commerce (ICC), with the seat of arbitration in Los Angeles, California, conducted in the English language. The United Nations Convention on the International Sale of Goods shall not apply.

- B. Entire Agreement. These Terms of Sale together with any other terms specifically agreed to in writing by Seller constitute the entire agreement between Buyer and Seller and supersede any prior or contemporaneous representations, agreements, proposals, warranties or understanding, oral or written, express or implied. In the event of a conflict between these Terms and a written purchase order accepted by Seller, the specific technical requirements, performance specifications, and support schedules expressly stated in the written purchase order shall prevail. No waiver, modification, amendment, rescission or other change to these Terms and Conditions of Sale shall be binding unless specifically agreed to in writing by an authorized representative of both Seller and Buyer
- C. Severability. The invalidity of any part hereof shall not affect the validity of the remainder. The failure of Seller to assert any right at any time hereunder shall not prevent Seller's subsequent assertion of the same or different rights.
- D. Assignment. Buyer may not assign this contract without the prior written approval of Seller.

### **XIII. DISPUTE RESOLUTION**

- A. Good Faith Negotiation. In the event of any dispute, claim, or controversy arising out of or relating to these Terms and Conditions or any purchase order (a "Dispute"), the parties shall first attempt to resolve the Dispute through good faith negotiation between senior representatives of each party. Either party may initiate this process by delivering written notice to the other party describing the Dispute in reasonable detail. The parties shall have thirty (30) calendar days from delivery of such notice (or such longer period as the parties may agree in writing) to attempt to resolve the Dispute through negotiation before either party may initiate formal legal proceedings.
- B. Exceptions. The thirty (30) day negotiation period shall not apply to, and shall not delay, any action by Seller to collect undisputed overdue payments, or any application by either party for emergency or injunctive relief necessary to prevent irreparable harm. Nothing in this Section XIII shall limit either party's right to seek such relief from a court of competent jurisdiction at any time.

### **XIV. COUNTERFEIT PARTS PREVENTION**

- A. Seller Warranty Against Counterfeit Parts. Seller warrants that all Products, components, and parts delivered under any purchase order are authentic, genuine, and sourced from authorized manufacturers or their authorized distributors. Seller maintains a counterfeit parts prevention program consistent with applicable industry standards, including AS5553 (Fraudulent/Counterfeit Electronic Parts) and AS6174 (Counterfeit Materiel) where applicable. Seller shall not knowingly incorporate counterfeit, fraudulent, or suspect parts into any Product delivered to Buyer.
- B. Reporting and Remediation. If Seller discovers or has reasonable cause to believe that counterfeit or suspect parts have been delivered to Buyer, Seller shall promptly notify Buyer in writing and

shall, at Seller's expense, replace the affected parts with authentic, conforming parts as expeditiously as possible. Seller shall cooperate with Buyer and any applicable government authority in any investigation related to counterfeit parts.

- C. Buyer's Obligations. Buyer shall not knowingly resell, redistribute, or incorporate into any product any Seller-supplied parts or components that Buyer has reasonable cause to believe are counterfeit or suspect. If Buyer discovers or suspects that any Product or component delivered by Seller may be counterfeit, Buyer shall promptly notify Seller in writing prior to any further use or distribution of such Product or component.

## **XV. PROHIBITION FOR HAZARDOUS USE**

The Products and Services provided hereunder are not intended for use in connection with any high-risk hazardous applications where failure of the Product could lead to death, personal injury, or catastrophic property damage. Buyer shall be responsible for ensuring that all Products are used in accordance with industry safety standards and Seller's provided documentation. Buyer shall indemnify and hold Seller harmless from any and all claims, losses, or damages arising out of the unauthorized or improper use of the Products in such high-risk environments.

## **XVI. STATUTORY REQUIREMENTS**

Seller reserves the right to make any changes in the general specifications of the Products which are required for the Products to conform to any statutory requirement.

## **XVII. GOVERNMENT CONTRACTS**

Only Federal Acquisition Regulation ("FAR") supplement clauses expressly accepted in writing by Seller shall be included or incorporated by reference herein. Seller shall not be bound by and makes no representation of compliance with any FAR or FAR supplement clauses that Seller shall not have expressly accepted in writing.

- A. Small Business Designation. Seller is a qualifying small business concern as defined under the Small Business Act (15 U.S.C. 632) and applicable US Small Business Administration ("SBA") size standards. Seller's small business status is on file with SAM.gov and shall be maintained in good standing. Buyer acknowledges Seller's small business status for all applicable federal procurement, subcontracting, and payment purposes.
- B. Accelerated Payments; FAR 52.232-40. Notwithstanding the general reservation in this Section XVII regarding FAR clauses, Seller hereby expressly accepts and incorporates FAR 52.232-40 (Providing Accelerated Payments to Small Business Subcontractors, MAR 2023) into any purchase order placed under or in connection with a US Government prime contract. Where Buyer is a prime contractor that has received or is entitled to receive accelerated payments from the Government under such prime contract, Buyer shall pass through accelerated payments to Seller within fifteen (15) days after receipt of such accelerated payment from the Government, upon receipt of a proper invoice and all required documentation from Seller, without any additional consideration, surcharge, or fee to Seller. This obligation does not create new rights under the Prompt Payment

Act (31 U.S.C. 3903). Buyer shall flow down the substance of FAR 52.232-40, including this paragraph, to all lower-tier subcontracts with small business concerns under the applicable government prime contract, in accordance with FAR 52.232-40(c).

## **XVIII. INTERNATIONAL SALES**

The provisions of this Section XVIII apply exclusively to: (a) Buyers whose principal place of business is located outside the United States; and (b) US-based Buyers who are purchasing Products for delivery to, or on behalf of an end customer located outside the United States. For all other US-based Buyers purchasing Products for delivery within the United States, the remaining terms of this Agreement apply without modification, and no international obligations are imposed.

- A. Incoterms. Unless otherwise expressly stated in writing on the applicable purchase order acknowledgment, all international shipments are made on EXW (Ex Works, Seller's premises, Tustin, California, USA) terms as defined under Incoterms 2020. Title to Products and all risk of loss or damage shall pass to Buyer at the point of delivery (Seller's premises) upon tender of the Products to the carrier. For international purchase order where the parties agree in writing to alternative Incoterms, the agreed term shall govern the allocation of risk and cost for that purchase order only.
- B. Import Duties, Customs, and Regulatory Compliance. Buyer is solely responsible for: (i) all import duties, tariffs, customs fees, and related governmental charges assessed at the destination country; (ii) obtaining any required import licenses, permits, or authorizations required by the destination country; (iii) ensuring that the Products comply with all applicable regulations, certifications, and standards of the destination country (including but not limited to CE marking, UKCA, safety certifications, and electromagnetic compatibility requirements); and (iv) all customs clearance procedures and costs at the port of entry. Seller makes no warranty, express or implied, that the Products conform to the laws, regulations, or standards of any country other than the United States, unless such conformity has been specifically agreed to in writing by Seller and stated on the purchase order acknowledgment.
- C. Taxes and Value Added Tax. Prices quoted by Seller do not include any value added tax (VAT), goods and services tax (GST), sales tax, use tax, withholding tax, or any other tax, levy, or duty imposed by any governmental authority outside the United States in connection with the sale or importation of the Products. All such taxes and charges are the sole responsibility of Buyer and shall be paid by Buyer directly to the applicable authority. If Seller is required by law to collect or remit any such tax on behalf of Buyer, Seller shall invoice Buyer for the applicable amount and Buyer shall pay such amount in addition to the Product price. For US-based Buyers purchasing Products for delivery within the United States, US state and local sales tax obligations are addressed separately and do not trigger the provisions of this Section XVIII.C.
- D. Currency and Payment. Unless otherwise agreed in writing, all international purchase order shall be invoiced and paid in US Dollars. Buyer assumes all currency exchange risk. Any wire transfer fees, correspondent bank charges, or other banking costs associated with international payments shall be borne entirely by Buyer, and Buyer shall ensure that Seller receives the full invoiced amount in US Dollars, net of all banking and transfer charges. If Seller receives less than the full

invoiced amount due to deduction of banking charges, Buyer shall promptly remit the shortfall upon Seller's request.

- E. **Sanctions and Restricted Parties.** Buyer represents and warrants that: (i) neither Buyer nor any of its officers, directors, employees, agents, or end customers is identified on any US Government restricted party list, including the OFAC Specially Designated Nationals and Blocked Persons List, the US Commerce Department Denied Persons List or Entity List, or the US State Department Debarred Parties List; (ii) Buyer will not sell, transfer, or otherwise provide Products to any person or entity on such lists; and (iii) the Products will not be delivered to, or used in, any country subject to comprehensive US sanctions, including but not limited to Cuba, Iran, North Korea, Syria, and the Crimea, Donetsk, and Luhansk regions of Ukraine. Buyer shall immediately notify Seller if Buyer becomes aware of any actual or potential violation of this provision. Failure to comply with this section shall constitute a material default allowing Seller to cancel any outstanding purchase order without liability.
- F. **Americas Region.** Seller regularly conducts business throughout North America, Central America, and South America. For Buyers located in these regions, the following additional provisions apply where relevant: (i) Buyer is responsible for compliance with all applicable regional trade agreements, including but not limited to USMCA (United States-Mexico-Canada Agreement) obligations, and shall provide Seller with any certificates of origin or documentation reasonably required by Seller for customs purposes; (ii) Seller will cooperate in good faith to provide reasonable documentation to support Buyer's import clearance, including commercial invoices, packing lists, and certificates of origin where applicable, but Seller's obligation to provide such documentation shall be limited to documents within Seller's reasonable control and shall not include preparation of destination-country specific certifications unless separately agreed and priced; and (iii) payment terms for Buyers in the Americas region are subject to the same credit review process described in Section III.E, and Seller reserves the right to require prepayment, letters of credit, or other security for international purchase order at its sole discretion regardless of the Buyer's prior payment history with Seller.
- G. **Returns and Warranty Claims for International purchase order.** All warranty claims and returns from international Buyers are subject to the terms of Section VI of this Agreement. In addition: (i) Buyer is responsible for all costs of returning Products to Seller's facility in the United States, including export clearance from the destination country, international shipping, insurance, and any applicable duties or taxes on the return shipment; (ii) Seller will bear the cost of reshipping repaired or replaced Products to Buyer under an active warranty claim, subject to standard EXW terms; and (iii) Buyer shall obtain all necessary export and import authorizations for the return and replacement shipment and shall comply with all applicable US re-import regulations.