

## Standard Terms and Conditions for Sale – Products & Services

**Acceptance:** Seller's acknowledgment of Buyer's order or commencement of any performance pursuant to such order shall constitute Buyer's acceptance of Seller's terms and conditions. The prices set forth in this document and Buyer's orders are expressly conditioned upon the exclusive applicability of Seller's terms and conditions. No terms or conditions stated by Buyer shall be binding on Seller unless such terms or conditions are expressly accepted in writing by a duly authorized representative of Seller. Failure of Seller to specifically object to any or all terms and conditions suggested by Buyer shall not be deemed an acceptance of terms and conditions that are in conflict with, inconsistent with or in addition to the terms and conditions of this document. Buyer, upon acknowledgment of Seller's quotation, or upon Seller's commencement of performance pursuant to Buyer's order, shall be deemed to have withdrawn any such terms and conditions that conflict with or are inconsistent with or are in addition to the terms and conditions set forth in this document. **THE TERMS AND CONDITIONS IN THIS DOCUMENT SUPERSEDE ALL PRIOR ORAL OR WRITTEN QUOTATIONS, PROPOSALS AND COMMUNICATIONS BETWEEN THE BUYER AND SELLER RELATED TO THE PRODUCTS AND SERVICES IDENTIFIED HEREIN.**

**Definitions:** In these Terms and Conditions of Sale, "Seller" means Piezo Technologies.; "Buyer" means the person, firm, company or corporation by whom the order is given.

**The Contract:** All orders must be in writing and are accepted subject to these Terms and Conditions of Sale. The Contract will be either a contract agreement signed by either parties, or a purchase order provided by Buyer to the Seller and accepted by Seller.

**Quantities, Quotation and Pricing:** Seller reserves the right to consider the order complete under the following conditions: +/- ten (10) percent or no more than +/- fifty (50) pieces maximum. In cases where overages result, invoices will be due as stated. Price quotations shall remain in effect sixty (60) days from the date provided. Prices are firm for delivery within the period stated in Seller's quotation. Prices will not include supplying pre-production or evaluation samples. Additional testing services are available for an additional charge if needed. Non-recurring engineering charges (NRE) cover engineering time to incorporate Seller's Intellectual Property into a solution addressing the customer's requirements. This fee does not imply transfer, license, or assignment of Seller's Intellectual Property rights to the Buyer, their customers, or any third party. All prices are based on shipments made FCA Seller's facility (incoterms 2010). Prices are subject to change without notice and invoicing will be based on prices agreed to or in effect at the time of order placement.

**Payment:** Payment shall be made without set-off, counterclaims or withholding any kind. Buyer shall pay Seller all invoiced amounts in U.S. dollars, within thirty (30) days from date of invoice. International orders are subject to cash advance payment terms, with receipt of purchase order from Buyer, unless otherwise agreed in writing. A one and one-half percent (1.5%) service charge will be added for every month or part of a month that the amount due remains unpaid after its due date. Wire transfers are subject to a transfer fee. If Seller resorts to collection proceedings or litigation to recover amounts owed from Buyer, Seller shall be entitled to recover from Buyer Seller's reasonable collection costs and attorney's fees.

**Taxes and Duties:** The purchase price does not include taxes, duties, fees or other charges of any nature. Consequently, in addition to the purchase price specified herein, the amount of any present or future sales, use, excise or other tax applicable to the sale of products sold hereunder or the use of such products by the Buyer shall be paid by the Buyer or, in lieu thereof, the Buyer shall furnish Seller with a tax exemption certificate acceptable to the appropriate taxing authority.

**Delivery, Risk & Title:** Unless the expressly stated in contract by the Buyer, Seller shall deliver products to Buyer FCA Seller's facility (incoterms 2010). Seller shall not be liable for delays or defaults in deliveries due to causes beyond Seller's control and without its fault or negligence. Risk of Loss and Title shall pass to buyer upon delivery in accordance pursuant to FCA Seller's facility (incoterms 2010).

**Inspection:** Buyer shall perform incoming inspection and testing on a statistical basis or as otherwise necessary to monitor the quality of the products shipped hereunder. Buyer may reject those products or samples that do not meet specifications supplied; provided however, that any such inspection or testing performed by the Buyer hereunder must be done within thirty (30) days of the receipt of any shipment. Buyer's failure to perform as specified herein shall result in a waiver of his right to rejection for performance specifications.

**Warranty:** a) Seller warrants that Products shall be delivered free from defects in material, workmanship and title and that Services shall be performed in a competent, diligent manner in accordance with any mutually agreed specifications. The warranty is a period of twelve (12) months from the date of shipment, Seller warrants that upon delivery, good title to the products included hereunder, free and clear of all liens of whatsoever kind or nature will vest in the Buyer. Seller warrants for a period of thirty (30) days from the date of receipt of shipment the workmanship of the products and that the products delivered will be of the kind designated or specified; provided however, that if the Seller supplies, and the Buyer approves samples, then, in lieu of all other warranties, Seller warrants that the products delivered will conform within reasonable tolerances to such samples, should a claim be necessary.

b) THE TERMS OF THE APPLICABLE WARRANTY OR WARRANTIES, AS THE CASE MAY BE, AS SET FORTH ABOVE, ARE THE SOLE AND EXCLUSIVE WARRANTY TERMS THAT SHALL HAVE ANY FORCE AND EFFECT IN THIS TRANSACTION, AND SUCH TERMS ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREWITH EXPRESSLY EXCLUDED.

c) SELLER DISCLAIMS ANY LIABILITY, WHETHER UNDER THIS WARRANTY OR OTHERWISE, FOR, AND BUYER SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS SELLER, ITS OFFICERS, AGENTS AND EMPLOYEES AGAINST ALL EXPENSE, LOSS, ATTORNEYS' FEES, COST, DAMAGES, AND LIABILITY ARISING FROM ANY FAILURE OF ITS PRODUCTS WHICH IS CAUSED BY, IN WHOLE OR IN PART, THE USE IN OR WITH PRODUCTS OR COMPONENT PARTS NOT MANUFACTURED BY SELLER, OR BY AN ALLEGED DEFECT RELATED TO DESIGN, LABELING OR MANUFACTURING SPECIFICATIONS SUPPLIED BY BUYER.

d) SELLER'S LIABILITY FOR ALL CLAIMS, WHETHER BASED ON BREACH OF CONTRACT, NEGLIGENT, PRODUCT LIABILITY, OR OTHERWISE, RELATING TO THE PRODUCTS SHALL NOT EXCEED THE PRICE PAID BY BUYER FOR SUCH DEFECTIVE PRODUCT. IN NO EVENT WILL SELLER BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF USE, LOSS OF PROFIT AND CLAIMS OF THEIR PARTIES), HOWEVER CAUSED, WHETHER BY THE NEGLIGENCE OF SELLER OR OTHERWISE.

e) BUYERS ARE SOLELY RESPONSIBLE FOR CONFIRMING THAT ALL PRODUCTS PURCHASED UNDER THIS AGREEMENT ARE INSTALLED AND USED IN ACCORDANCE WITH ALL APPLICABLE CODES AND REGULATIONS.

**Damages:** Seller will replace any product furnished hereunder that is not in compliance with the warranty or, and at Seller's option, upon return of the product to Seller, Seller will repay the price paid for such product, plus any transportation charges paid by Buyer to return the product. Claims hereunder must be made in writing to the Seller within thirty (30) days of the receipt of any shipment by the Buyer. Upon receipt of any notice of claim as provided hereunder, Seller shall be given a reasonable time within which to investigate the Buyer's claim and to cure all defects. Buyer's legal remedies with respect to any products furnished by Seller hereunder that are found to be defective or otherwise fail to conform to the terms and conditions included herein, shall be limited exclusively to the right to repair or replacement thereof or to repay the purchase price, as provided above. No legal action shall be commenced against Seller with respect to the liability of Seller hereunder more than ninety (90) days after the occurrence alleged to give rise to such liability. In no event shall Seller be liable to Buyer for consequential, incidental or exemplary damages, including but not limited to, loss of profit or revenue, loss of use of machinery or equipment, downtime costs or claims of Buyer's customers for damages.

**Termination:** (a) Seller shall have the right to cancel purchase orders of the Buyer in the event the Buyer fails to comply with the terms of payment specified in these terms and conditions or in any prior or subsequent purchase order included herein. In the event Seller shall have reasonable grounds to doubt, at any time, the Buyer's financial responsibility to perform under this contract, the Seller may demand, in writing, adequate assurances of performance from the Buyer (including up-front payment for products ordered) and may, until such assurances are received from Buyer, suspend its performance under this contract. Upon receipt of a justified demand, as provided hereunder, Buyer's failure to provide adequate assurances of performance, acceptable to the Seller, within thirty (30) days of the receipt of such notice, shall be considered a repudiation of the contract and shall entitle the Seller to treat all or a portion of Buyers' order as cancelled.

b) Except as otherwise provided herein, orders placed pursuant to this Quotation are not subject to cancellation or termination, in whole or in part, without Seller's express written consent and acknowledgement. If Seller consents to and acknowledges a requested cancellation or termination, Seller shall forthwith discontinue all work and the incurring of any additional expenses relating thereto except as may be directed in Buyer's request. In such event, Buyer shall pay such amount as Seller and Buyer may agree is to be paid by reason of the termination. In the

event of failure to agree upon the amount to be paid by reason of the termination, Buyer will pay to Seller and Seller agrees to accept in full payment: (i) The stipulated price with respect to products completed in accordance with Buyer's order, (ii) Seller's cost and expense, including a reasonable allowance for profit, in connection with the unfinished work and raw materials on hand acquired for the completion of this order, and (iii) cost or damages of completion or cancellation (as the case may be and at the election of Seller) of contracts for raw materials ordered specifically for this order. Provided that the total payments under (ii) and (iii) shall not exceed the stipulated price with respect to the same products, if finished, less the estimated cost of finishing work and unprocessed raw materials on hand acquired by Seller in connection with this order. Nothing in this paragraph shall in any way modify any other provision of these terms and conditions relating to cancellation or termination by Buyer.

**Patent, Trademark and Copyright Indemnity:** Seller shall indemnify Buyer, Buyer's customer and any end user from any and all damages and costs finally awarded for infringement of any existing patent, trademark or copyright in any suit by reason of the sale of any products sold to Buyer hereunder where Seller is an infringer with respect to its sale hereunder provided that Seller is promptly notified in writing of any such suit and Buyer offers Seller full and exclusive control of the defence of such suit when products of Seller only are involved therein and the right to participate in the defence of such suit when products other than those of Seller are also involved, and Buyer fully cooperates with Seller in such defence. This indemnity shall not, however, extend to infringement or claims thereof resulting from Seller's compliance with Buyer's designs, processes, formulas, or approvals, use of the products in a manner to have them become infringing or use of the products alone or in combination with other equipment where the use is the subject of the claim. Seller's liability for damages hereunder is limited to those computed solely on the value of any product sold to Buyer hereunder. In no event shall Seller be liable for special, incidental or consequential damages or costs applicable thereto. The above indemnity is in lieu of any other indemnity or warranty, express or implied, with respect to patents, trademarks or copyrights and shall in no event exceed the price paid by Buyer for such products.

**Force Majeure:** Neither Seller nor Buyer shall be liable to the other for default or delay in delivering or accepting goods hereunder if caused by an Act of God, war, mobilization, riot, strike, embargo, shortage of utility, facility, material or labour, delay in transportation, breakdown or accident, or compliance with or action taken to carry out the extent or purpose of any law or regulation. When only a part of Seller's or Buyer's capacity to perform is excused under this paragraph, Seller or Buyer must allocate production, deliveries, or receipt of deliveries among various customers or suppliers then under contract for similar products during the period when Buyer or Seller is unable to perform. The allocation must be effected in a commercially fair and equitable manner. When either Seller or Buyer claims an excuse for non-performance under this paragraph, it must give notice in writing to the other party. When an allocation has been made, notice of the estimated quota made available for Buyer or Seller, as the case may be, must be given. Should such inability to perform continue for a period in excess of sixty (60) days Seller shall not be obligated to sell, nor shall Buyer be obligated to purchase, at a later date, that portion of the goods which Seller is unable to deliver or Buyer is unable to receive or use because of any of the aforementioned causes beyond the control of the parties.

**Changes:** Buyer may from time to time request changes in this order, including but not limited to, changes in drawings, designs, specifications, method of inspection, method of packaging, order period, rate of shipment, method of shipment, and/or place of delivery, or other provisions contained herein, by written instruction to Seller in a change order notice or letter from Buyer's Purchasing Department. Seller shall determine whether such change causes an increase or decrease in cost or time of performance of this order and thereafter shall notify Buyer's Purchasing Department in writing within thirty (30) days from the date of receipt of such change order notice, or letter, or within such other time limit as agreed to by Buyer and Seller, and a mutually satisfactory adjustment shall be negotiated. The agreed to adjustment shall be incorporated as part of this agreement by means of a written change order notice from Buyer's Purchasing Department. Seller's failure to advise Buyer's Purchasing Department that an adjustment is necessary prior to performance of the work called for by the change order notice shall constitute Seller's agreement to conform to said change order notice without an increase in price and without charge for cost of material and/or tooling rendered obsolete and that delivery will be made as specified by this agreement. In the event that the requested change order notice is of such a nature and scope as to preclude mutual agreement between Buyer and Seller, Buyer or Seller may terminate this order.

**Compliance with Laws** Seller represents that with respect to production of the products and performance of the services herein it has complied with applicable governmental statutes, rules, requisitions and orders including those pertaining to labor, wages, hours and other conditions of hiring and employment. Seller's obligations are conditioned upon Buyer's compliance with all U.S. and other applicable trade control laws and regulations. Buyer shall not trans-ship, re-export, divert or direct Products other than in and to the ultimate country of destination declared by Buyer and specified as the country of ultimate destination on Seller's invoice.

**General:** a) Product and Services sold by Seller hereunder, are not sold or intended for use in any nuclear facility, nuclear activity or nuclear related applications. Buyer (i) accepts Goods in accordance with the foregoing restriction, (ii) agrees to communicate such restriction in writing to any and all subsequent purchasers or users and (iii) agrees to defend, indemnify and hold harmless Seller from any and all claims, losses, liabilities, suits, judgments and damages, including incidental and consequential damages, arising from use of Goods in any nuclear or nuclear related applications, whether the cause of action be based in tort, contract or otherwise, including allegations that the Seller's liability is based on negligence or strict liability. Any clause required being included in a contract of this type by any applicable law or administrative regulation having the effect of law shall be deemed to be incorporated herein.

b) These Terms and Conditions shall apply to transactions between Buyer and Seller. No terms or conditions other than those stated herein, and no agreement or understanding, oral or written, in any way purporting to modify these terms or conditions, whether contained in Buyer's purchase order or shipping release forms or elsewhere, shall be binding on Seller unless hereafter made in writing and signed by its authorized representative. All proposals, negotiations, and representations, if any, made prior to and with reference hereto, are merged herein.

c) Failure by Seller to insist upon strict performance of any provision hereof by Buyer shall not be deemed to be a waiver by Seller of its rights or remedies available to it at law or equity and Seller shall not be required to proceed with performance of an order if Buyer is in default to Seller under it or any other order.

d) If any clause, sub-clause or other provision of the Contract is invalid under any statute or rule of law, such provision, to that extent only, shall be deemed to be omitted without affecting the validity of the remainder of the Contract.

e) All claims (other than claims under the Warranty and Patent sections hereof) must be received by Seller within fifteen (15) days after receipt of goods. Seller is not responsible for incidental, special, punitive or consequential damages will be considered. No setoff is allowed.

f) Governing Law is of the State of Indiana, where any actions between the parties shall be exclusively filed and maintained.

g) If any provision of this document is in violation of any governmental statute or regulations, or is illegal for any reason, said provision shall be self-deleting without affecting the validity of the remaining provision