

ENDEVCO
TERMS AND CONDITIONS OF SALE

Each quote issued by PCB Piezotronics of North Carolina, Inc., d/b/a Endevco ("Endevco") and the acceptance of any purchase order by Endevco for Endevco products shall be governed by the following Terms and Conditions. Any order accepted by Endevco shall be referred to herein as the "purchase order".

1. **GOVERNING TERMS AND CONDITIONS.** EXCEPT FOR AN ORDER WHICH SPECIFIES ONLY QUANTITY AND REQUESTED DELIVERY TERMS AND IS PART OF AN ACCEPTED ORDER, NO OTHER TERM WHICH DIFFERS FROM OR ADDS TO THESE TERMS AND CONDITIONS SHALL BE BINDING UPON SELLER. ANY OTHER OR DIFFERENT TERMS AND CONDITIONS PROPOSED BY BUYER ARE HEREBY EXPRESSLY REJECTED. THE PLACEMENT BY BUYER OF ANY ORDER SHALL CONSTITUTE ACCEPTANCE OF THESE TERMS AND CONDITIONS.

2. **TITLE, DELIVERY AND INSPECTION.** Products shall be delivered FCA (Incoterms 2010) facility of manufacture (i.e., as applicable, Halifax, North Carolina, or such other facility at which Endevco products may be manufactured), unless otherwise agreed in a writing signed by Endevco. Title and liability for loss or damage shall pass to Buyer upon tender of goods to common carrier for shipment to Buyer. Shipping dates are approximate only. Endevco shall not be liable for any costs or damages (incidental, consequential, special or otherwise) for Endevco's failure to meet delivery dates. Delays experienced by Endevco in obtaining a validated export license shall be deemed excusable and beyond the reasonable control of Endevco. Buyer shall have a reasonable time, not to exceed thirty (30) days to inspect goods delivered and to notify Endevco of any discrepancies. Failure of Buyer to give notice under these terms shall be deemed acceptance of the applicable goods.

3. **PAYMENT TERMS.** All payments shall be made in U.S. funds. Endevco may extend or withhold credit to Buyer in Endevco's sole discretion. Where credit is extended to Buyer, terms of payment shall be net thirty (30) days from date of invoice. Credit may be withdrawn or subsequent shipments held by Endevco at any time for late payment. Buyer shall pay interest at the rate of 1.5% per month from date of invoice for late payment.

Endevco's prices are exclusive of all taxes and duties. Without limitation of the foregoing, responsibility for all customs duties and charges, sales taxes, use taxes, value-added taxes and any other taxes imposed by any federal, state, local or municipal taxing authority (excluding any taxes solely on Endevco's income), shall be borne solely by Buyer.

4. **WARRANTIES.**

A. **Stock Products – Limited Warranty.** Endevco warrants that all Endevco Stock Products will be free from defects in materials and workmanship for a period of two (2) years from the date of original purchase. If any Stock Product shall fail during the warranty period, Endevco will repair, replace or exchange it without charge. As a further benefit under Endevco's Limited Warranty for Stock Products, Endevco will, for a (1) year period following the delivery date of any Stock Product, refund 100% of the customer's purchase price for any Stock Product with which the original purchaser is not completely satisfied. "Stock Product" is defined to mean any product designated by Endevco from time-to-time as a stock product. This is generally a product on which Endevco customarily maintains finished goods inventory.

B. **Special Products – Limited Warranty.** Endevco warrants that all Endevco Special Products will be free from defects in materials and workmanship for a period of one (1) year from the date of original purchase. If any Special Product shall fail during the warranty period, Endevco will repair, replace or exchange it without charge. "Special Product" is defined to mean any customized or modified Endevco product for which Endevco does not customarily maintain finished goods inventory, or any other product that Endevco classifies as a special product from time to time.

C. **Standard Products and Test and Measurement Cables – Limited Warranty.** Endevco warrants that all Endevco Standard Products and test and measurement cables will be free from defects in materials and workmanship for a period of one (1) year from the date of original purchase. If any Endevco Standard Product or test and measurement cable shall fail during the warranty period, Endevco will repair, replace or exchange it without charge. "Endevco Standard" is a product regularly manufactured by Endevco for which Endevco does not customarily maintain finished goods inventory.

D. **Services Warranty.** Services are warranted to be in a workmanlike manner for a period of ninety (90) days after performance. Endevco's entire liability and customer's exclusive remedy, whether in contract, tort or otherwise for any claim related to or arising out of the breach of warranty covering Services will be re-performance or credit, at Endevco's option.

E. **Shipping Charges.** Endevco will, upon its receipt of any product under warranty, pay all shipping charges to send the repaired, replaced or exchanged product to the original point of shipment.

F. **Products Manufactured by Others.** Products manufactured by others are subject to the warranty,

if any, of their respective manufacturers, and are to be repaired only by a respective authorized service person for such products. Endevo shall have no obligation to undertake repairs of products manufactured by others.

G. **Applicability.** The designation of a product as a Stock Product, Special Product, or Standard Product is based upon Endevo's product classification, as determined in its sole discretion, at the time of the sale. If you have any questions regarding the classification of a product, please contact Endevo for clarification. The warranties described above do not apply to products manufactured by third parties, products for which necessary components are no longer available on a commercially reasonable basis, or any Endevo products damaged by accident, abuse, misuse, natural disaster or by any unauthorized disassembly, repair or modification. If there are any questions regarding power, intended application, or general usage of any Endevo product, please consult with your local sales contact or distributor.

H. **No Extension of Statute of Limitations.** Any repairs performed under Endevo's warranties shall not in any way extend the statute of limitations for claims under such warranties.

I. **WAIVER OF OTHER WARRANTIES. THE EXPRESS WARRANTIES SET FORTH IN THIS LIMITED WARRANTY ARE IN LIEU OF AND EXCLUDE ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

J. **Procedure for Warranty Performance.** For any warranty claim, the Buyer must provide Endevo with the applicable model and serial numbers, the date of purchase, and the nature of the problem. Endevo, in its discretion, may also require that the Buyer return to Endevo the product being covered under warranty.

K. **Authority to Alter This Warranty.** No agent, representative, reseller, or distributor of Endevo has any authority to alter the terms of this Limited Warranty in any way. This Limited Warranty may be altered only in writing by an authorized officer of Endevo.

5. **LIMITATIONS OF LIABILITY**

A. **NO INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES. ENDEVCO'S SOLE OBLIGATIONS UNDER ITS LIMITED WARRANTY ARE SET FORTH ABOVE IN PARAGRAPHS A THROUGH H. IN NO EVENT SHALL ENDEVCO BE LIABLE TO THE BUYER OR ANY OTHER PERSON FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR LOST PROFITS LOSSES OR DAMAGES OR FOR ANY FINANCIAL OR ECONOMIC LOSS CONNECTED WITH THE USE OF THE PRODUCT ORDERED UNDER THESE TERMS AND CONDITIONS. SUCH DAMAGES FOR WHICH ENDEVCO SHALL NOT BE RESPONSIBLE INCLUDE, BUT ARE NOT LIMITED TO, LOST TIME AND CONVENIENCE, LOSS OF USE OF THE PRODUCT, THE COST OF A PRODUCT RENTAL, COSTS OF GASOLINE, TELEPHONE, TRAVEL OR LODGING, THE LOSS OF PERSONAL OR COMMERCIAL PROPERTY, LOSS OF CONTRACTS, LOSS OF PRODUCTION, AND THE LOSS OF REVENUE.**

B. **NO LIABILITY IN EXCESS OF PURCHASE PRICE. IN NO EVENT SHALL ENDEVCO'S AGGREGATE LIABILITY WITH RESPECT TO ANY PRODUCT SOLD EXCEED THE PURCHASE PRICE OF SUCH PRODUCT PLUS ANY SHIPPING CHARGES THAT ENDEVCO MAY BE OBLIGATED TO PAY PURSUANT TO PARAGRAPH H ABOVE. THE REMEDIES OF THE BUYER UNDER THESE TERMS AND CONDITIONS SHALL BE EXCLUSIVE AND IN LIEU OF ANY OTHER REMEDY AT LAW OR IN EQUITY.**

6. **EXPORT CONTROL.** All Endevo quotes and all Buyer purchase orders issued for Endevo products are subject to all U.S. Export Regulations, including, without limitation, the International Traffic in Arms Regulations (ITAR) administered by the U.S. Department of State's Directorate of Defense Trade Controls, and the Export Administration Regulations (EAR) administered by the Department of Commerce's Bureau of Industry and Security. Endevo's performance on any resulting sale or contract is contingent on strict compliance with these regulations as applicable and may require prior written approval from the U.S. Government (USG) before Endevo can execute the terms and conditions of the purchase order. Endevo shall not be liable for delays resulting from the actions or inaction of any USG agency.

Buyer agrees to comply with the terms and conditions of all U.S. Export and Re-export Regulations, and U.S. Government written approvals related to this purchase order. Buyer agrees to indemnify and hold harmless Seller for all claims, losses, or damages, including, without limitation, reasonable attorneys' fees and expenses, incurred by Seller as a result of any failure by Buyer to comply with this Section 6.

7. **RIGHTS IN PROPERTY.** Buyer acknowledges and agrees that all right, title and interest in and to all writings, works of authorship, technology, inventions, discoveries, processes, techniques, methods, results of non-recurring engineering services, designs, validation studies, procurement information, bills of material, concepts, research, materials and all other work product of any nature whatsoever, that are created, prepared, produced, authored, edited, amended, conceived or reduced to practice by the Endevo individually or jointly with others pursuant to this purchase order or related in any way to the business or contemplated business, products, activities, research or development of Endevo or result from any work performed by Endevo for the Buyer (in each case, regardless of when or where the

work product is prepared or whose equipment or other resources is used in preparing the same), all rights and claims related to the foregoing, and all printed, physical and electronic copies and other tangible embodiments thereof ("Work Product"), as well as any intellectual property rights therein and all improvements thereto shall be the sole and exclusive property of Endevco. The Buyer acknowledges that, to the extent permitted by law, all Work Product consisting of copyrightable subject matter is "work made for hire" as defined in the Copyright Act of 1976 (17 U.S.C. § 101), and such copyrights are therefore owned by Endevco. To the extent that the foregoing does not apply, the Buyer hereby irrevocably assigns to Endevco, and its successors and assigns, for no additional consideration, the Buyer's entire right, title and interest in and to all Work Product and intellectual property rights therein, including, without limitation, the right to sue, counterclaim and recover for all past, present and future infringement, misappropriation or dilution thereof, and all rights corresponding thereto throughout the world. Nothing contained herein shall be construed to reduce or limit Endevco's right, title or interest in any Work Product or intellectual property rights so as to be less in any respect than Endevco would have had in the absence herein.

8. **COMPLIANCE WITH LAWS.** Buyer represents and covenants that, at all times, Buyer's use, sale, marketing and export of all Endevco products shall be in accordance with all applicable laws, rules, and regulations of the United States and of any other applicable jurisdictions, including without limitation, the U.S. Foreign Corrupt Practices Act and all applicable export laws, restrictions and regulations of the United States or any applicable foreign government, agency or authority. Buyer will not export or re-export, or authorize the export or re-export of any Endevco product, technology or information it obtains or learns from Endevco in violation of any laws, restrictions or regulations.

9. **APPLICABLE LAW.** The validity, performance and construction of this contract shall be governed by the internal laws of the State of North Carolina, United States of America, without regard to principles of conflicts of law.

THE RIGHTS AND OBLIGATIONS OF THE PARTIES WITH RESPECT TO THIS QUOTE AND ANY PURCHASE ORDER ISSUED FOR ENDEVCO PRODUCTS SHALL NOT BE GOVERNED BY THE PROVISIONS OF THE 1980 UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS.

10. **CANCELLATION.** Accepted orders may be cancelled subject to the provisions of this Section 10. Any order for a Stock Product may be cancelled without penalty. In the event of a customer cancellation of a Special Product or a Standard Product, Endevco shall have the right to charge a cancellation fee equal to fifty percent (50%) of the purchase price payable with respect to the cancelled order. Such cancellation fee is intended to reimburse Endevco for its costs incurred in preparing to meet Buyer's requested delivery schedule for a Special Product or Standard Product, including, without limitation, Endevco's commitments to its suppliers, and the cost of non-stock inventory (raw materials, work-in-process and finished products) allocated to Buyer's order together with an allowance for termination costs.

11. **ARBITRATION.** Any dispute or claim arising out of or pursuant to this quote or any purchase order for Endevco products shall be submitted to final and binding arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "Rules") by one arbitrator appointed in accordance with the Rules. The site of such arbitration proceedings shall be in Charlotte, North Carolina. Judgment upon any award rendered in such arbitration may be entered in any court of competent jurisdiction. This provision shall not limit either Endevco's or the Buyer's right to obtain any provisional or equitable remedy, including, without limitation, injunctive relief from any court of competent jurisdiction, as may be necessary in the sole judgment of Endevco or the Buyer, as the case may be, to protect its rights hereunder.

12. **SEVERABILITY.** If any term, provision, covenant or condition of this contract is held to be invalid, void or unenforceable by a court of competent jurisdiction, the remainder of this contract shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

13. **NONWAIVER OF DEFAULT.** Each shipment hereunder shall be considered a separate transaction. In the event of any default by Buyer, Endevco may decline to make further shipments. If Endevco elects to continue to make shipments, Endevco's actions shall not constitute a waiver of any default by Buyer or in any way affect Endevco's legal remedies for any such default.

14. **ASSIGNMENT.** This contract shall not be assigned by Buyer without the prior written consent of Endevco. If consent is given, this contract shall be binding upon and inure to the benefit of the assigns.

15. **ENTIRE AGREEMENT.** THIS CONTRACT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES RELATING TO THE SALE OF GOODS DESCRIBED HEREIN AND SUPERSEDES ALL PREVIOUS COMMUNICATIONS, REPRESENTATIONS OR AGREEMENTS, EITHER ORAL OR WRITTEN. THIS AGREEMENT MAY BE CHANGED ONLY BY A MODIFICATION, IN WRITING, SIGNED BY THE BUYER AND A DULY AUTHORIZED ENDEVCO REPRESENTATIVE. NO COURSE OF DEALING OR TRADE PRACTICE SHALL ACT TO MODIFY OR INTERPRET ANY TERMS EXPRESSED IN THIS AGREEMENT.