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## Exlar Terms and Conditions, Warranty, and Limitation of Liability

1. **OFFER AND ACCEPTANCE:** These terms and conditions constitute Seller's offer to Buyer and acceptance by Buyer and any resulting sale is expressly limited to and conditioned upon Seller's terms and conditions as set forth below. If Buyer objects to any of Seller's terms and conditions, such objections must be expressly stated and brought to the attention of Seller in a written document which is separate from any purchase order or other printed form of Buyer. Such objections, or the incorporation of any additional or different terms or conditions by Buyer into a resulting order shall constitute non-acceptance of these Terms and Conditions, releasing Seller from any obligation or liability hereunder and a proposal for different terms and conditions which shall be objected to by Seller unless expressly accepted in writing by an authorized representative of Seller. Acknowledgment copy, if any, shall not constitute acceptance by Seller of any additional or different terms or conditions, nor shall Seller's commencement of effort, in itself, be construed as acceptance of an order containing additional or different terms and conditions.
2. **PRICES:** Published prices and discount schedules are subject to change without notice. They are prepared for the purpose of furnishing general information and are not quotations or offers to sell on the part of the company.
3. **TRADE TERMS:** Shipment terms are FCA, shipping point (Exlar Corporation, Chanhasen, MN). FCA (Free Carrier) per Incoterms 2020, means the Seller delivers the goods, cleared for export into the custody of the first carrier named by the buyer at the named place, above. This term is suitable for all modes of transport, including carriage by air, rail, road, and containerized/multi-modal transport. Title of the merchandise transfers from Exlar Corporation to the Buyer when it is received from Exlar's dock by the carrier. Where allowable, Exlar Corporation will arrange the transportation via the carrier specified by the Buyer. The Buyer is responsible for all costs associated with the shipment.
4. **PAYMENT TERMS:** Subject to approval of Buyer's credit, the full net amount of each invoice is due and payable in cash within thirty (30) days of shipment. No payment discounts are offered, and minor inadvertent administrative errors contained in an invoice are subject to correction and shall not constitute reason for untimely payment. If, in the judgment of the Seller, the financial credit of Buyer at any time does not justify continuance of production or shipment of any product(s) on the payment terms herein specified, Seller may require full or partial payment prior to completion of production or shipment, or may terminate any order, or any part thereof, then outstanding. Custom products and blanket orders are subject to payment terms: 30% due at time of order, 70% due net 30 days from shipment.
5. **MINIMUM BILLING:** Minimum billing will be \$50.00.
6. **DELAYS:** Exlar Corporation shall not be liable for any defaults, damages or delays in fulfilling any order caused by conditions beyond Seller's control, including but not limited to acts of God, strike, lockout, boycott, or other labor troubles, war, riot, flood, government regulations, or delays from Seller's subcontractors or suppliers in furnishing materials or supplies due to one or more of the foregoing clauses.
7. **CANCELLATIONS:** All cancelled orders for standard products are subject to order cancellation charges. The minimum cancellation charge will be 20% of the order total. Standard products, if unused may be returned in accordance with the current return policy. All returns are subject to prior approval by Exlar Corporation, and return charges may apply. No return credit for any product will be issued or authorized prior to evaluation of the product by Exlar Corporation. Custom product is not returnable. Orders for custom product are not cancelable.
8. **QUANTITY PRICING AND BLANKET ORDER PRICING TERMS:** Blanket order quantity pricing requires a complete delivery schedule provided for the volume being ordered, with all units scheduled to deliver within a 15 month period from the placement of the purchase order to the final scheduled shipment. Any requests to change the delivery schedule of a blanket order must

be received in writing 60 days prior to the requested change. Failure to take delivery of the entire ordered volume will result in back charges equal to the difference in quantity price between the volume ordered and the volume received times the number of units received. A cancellation charge in accordance with the cancellation policy (item 7) will apply to any reduction in delivered volume from the original ordered quantity. For orders receiving quantity discounts, but not as scheduled blanket orders, the same quantity pricing rules apply. Failure to take delivery of the entire quantity ordered will result in back charges equal to the difference in quantity price between the volume ordered and the volume received times the number of units received. Cancellation charges in accordance with the cancellation policy (item 7) will apply to any reduction in delivered volume from the original ordered quantity. For either blanket orders or quantity orders, in addition to any applicable cancellation charges, the customer is responsible for the value of any additional inventory allocated specifically to their order. Charges for this inventory will be invoiced in addition to cancellation charges, along with any back charges for quantity variance.

9. **DESTINATION CONTROL STATEMENT:** Exlar Corporation products, technology or software are exported from the United States in accordance with the Export Administration Regulations (EAR) or International Traffic in Arms Regulations (ITAR) as applicable. Diversion, transfer, transshipment or disposal contrary to U.S. law is prohibited.
10. **EXPORT CONTROL AND SHIPMENT REGULATIONS:** Purchaser agrees at all times to comply with all United States laws and regulations as well as International Trade Laws, as they may exist from time to time, regarding export licenses or the control or regulation of exportation or re-exportation of products or technical data sold or supplied to Distributor. Seller may terminate or suspend this order, without remedy, should the Purchaser become an entity identified on any US export denial listing. Products ordered may require authorization and/or validated export license from a US government agency. Seller may terminate or suspend this order, without remedy, should a government agency approval be denied.
11. **GOVERNING LAW AND VENUE:** This order shall be governed by, and construed in accordance with the laws of the State of Minnesota, U.S.A. All disputes shall be resolved by a court of competent jurisdiction in the trial courts of Carver County, in the State of Minnesota.
12. **ATTORNEY FEES:** Reasonable attorney's fees and other expenses of litigation must be awarded to the prevailing party in an action in which a remedy is sought under this order.
13. **NON-WAIVER:** The failure by the Seller to require performance of any provision shall not affect the Seller's right to require performance at any time thereafter, nor shall a waiver of any breach or default of this Order constitute a waiver of any subsequent breach or default or a waiver of the provision itself.
14. **MERGER AND INTEGRATION:** These Terms & Conditions contain the entire agreement of the parties with respect to the subject matter of this order, and supersede all prior negotiations, agreements and understandings with respect thereto. Purchase orders may only be amended by a written document duly executed by buyer and seller.
15. **INDEMNITY:** Buyer agrees to indemnify, defend and hold harmless Exlar Corporation from any claims, loss or damages arising out of or related to Seller's compliance with Buyer's designs, specifications or instructions in the furnishing of products to Buyer, whether based on infringement of patents, copyrights, trademark or other right of others, breach of warranty, negligence, or strict liability or other tort.

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## WARRANTY AND LIMITATION OF LIABILITY

Products are warranted for two years from date of manufacture as determined by the serial number on the product label. Labels are generated and applied to the product at the time of shipment. The first and second digits are the year and the third and fourth digits represent the manufacturing week. Product repairs are warranted for 90 days from the date of the repair. The date of repair is recorded within Exlar Corporation's database tracked by individual product serial number.

Exlar warrants its product(s) to the original purchaser and in the case of original equipment manufacturers, to their original customer to be free from defects in material and workmanship and to be made only in accordance with Exlar's standard published catalog specifications for the product(s) as published at the time of purchase. Warranty or performance to any other specifications is not covered by this warranty unless otherwise agreed to in writing by Exlar and documented as part of any and all contracts, including but not limited to purchase orders, sales orders, order confirmations, purchase contracts and purchase agreements. In no event shall Exlar be liable or have any responsibility under such warranty if the product(s) has been improperly stored, installed, used or maintained, or if Buyer has permitted any unauthorized modifications, adjustments and/or repairs to such product(s). Seller's obligation hereunder is limited solely to repairing or replacing (at its opinion), at the factory any product(s), or parts thereof, which prove to Seller's satisfaction to be defective as a result of defective materials, or workmanship and within the period of time, in accordance with the Seller's stated product warranty (see Terms and Conditions above), provided, however, that written notice of claimed defects shall have been given to Exlar within thirty (30) days from the date of any such defect is first discovered. The product(s) claimed to be defective must be returned to Exlar, transportation prepaid by Buyer, with written specification of the claimed defect. Evidence acceptable to Exlar must be furnished that the claimed defects were not caused by misuse, abuse, or neglect by anyone other than Exlar.

Components such as seals, wipers, bearings, brakes, bushings, gears, splines, and roller screw parts are considered wear parts and must be inspected and serviced on a regular basis. Any damage caused by failure to properly lubricate Exlar products and/or to replace wear parts at appropriate times, is not covered by this warranty. Any damage due to excessive loading is not covered by this warranty.

The use of products or components under load such that they reach the end of their expected life is a normal characteristic of the application of mechanical products. Reaching the end of a product's expected life does not indicate any defect in material or workmanship and is not covered by this warranty.

Costs for shipment of units returned to the factory for warranty repairs are the responsibility of the owner of the product. Exlar will return ship all warranty repairs or replacements via UPS Ground at no cost to the customer.

For international customers, Seller will return ship warranty repairs or replacements via UPS Worldwide Saver Service if possible or by Seller's designated forwarder and cover the associated shipping costs as DAP (customer's location) Incoterms 2020. Any VAT, destination storage, customs clearance fees or any other local country government fees and taxes are the responsibility of the owner of the product.

The foregoing warranty is in lieu of all other warranties (except as Title), whether expressed or implied, including without limitation, any warranty of merchantability, or of fitness for any particular purpose, other than as expressly set forth and to the extent specified herein, and is in lieu of all other obligations or liabilities on the part of Exlar.

Seller's maximum liability with respect to these terms and conditions and any resulting sale, arising from any cause whatsoever, including without limitation, breach of contract or negligence, shall not exceed the



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price specified herein of the product(s) giving rise to the claim, and in no event shall Exlar be liable under this warranty otherwise for special, incidental or consequential damages, whether similar or dissimilar, of any nature arising or resulting from the purchase, installation, removal, repair, operation, use or breakdown of the product(s) or any other cause whatsoever, including negligence.

The foregoing warranty shall also apply to products or parts which have been repaired or replaced pursuant to such warranty, and within the period of time, in accordance with Seller's stated warranty.

NO PERSON INCLUDING ANY AGENT OR REPRESENTATIVE OF EXLAR, IS AUTHORIZED TO MAKE ANY REPRESENTATION OR WARRANTY ON BEHALF OF EXLAR CONCERNING ANY PRODUCTS MANUFACTURED BY EXLAR, EXCEPT TO REFER PURCHASERS TO THIS WARRANTY.