



TERMS AND CONDITIONS OF SALES

Superseding any others, which may be presented by a customer ("Buyer") as part of a request for quote or bid proposal, any variance from these published Terms and Conditions must be negotiated with Micro Harmonics Corporation ("MHC" or "Seller") and accepted in writing. Orders are accepted by MHC only under the following terms and conditions.

- 1. PRICE & ACCEPTANCE:** Prices are quoted in U.S. funds assuming cash payment. Prices do not include taxes, duties, insurance, bank transfer fees, freight, or handling charges which shall be paid by Buyer. All orders and sales contracts are valid only upon written acceptance by an officer of MHC.
- 2. DELIVERY & SHIPMENT:** Delivery is quoted from date of acceptance of written purchase order, cash payment, letter of credit, or bank transfer. Under no circumstances will MHC accept a penalty clause. All orders are shipped FOB MHC (Fincastle, Virginia, USA). Shipments are normally made via Buyer-specified carrier at Buyer's expense. In the absence of specified shipping instructions, Seller will ship by the most advantageous method. All freight, export documentation, insurance, and handling fees are collect. Any and all duties and export charges are payable by Buyer. Seller is not responsible for any loss, damage, or delay that may occur after goods have been accepted for shipment by carrier. All claims pertaining to shortages or deviations from ordered items must be made in writing within thirty (30 days) of invoice date to be considered valid.
- 3. PAYMENT TERMS:** Unless negotiated otherwise, until credit has been established, balances are payable in advance; for established domestic customers, balances are payable via Bank Transfer or check for total order value net 30 days from the date of shipping; for established international customers, balances are payable via Bank Transfer due on receipt of invoice.

Bank Transfer Fees: Fees associated with Bank Transfers (both the Buyer's and Seller's) are payable by the Buyer.

Credit Cards: Quoted amounts assume a discount for cash payment. Credit cards are accepted, though a processing fee will be assessed.

Other: Accounts past due will be assessed a finance charge of 1.5% per month (18% annual rate) of the outstanding balance. There will be a \$25 fee for returned checks.

Required Deposits: 1) Orders totaling \$25K or more to have a 50% deposit of order value paid at time of order placement. 2) Special or modified product orders, orders with NRE, orders with setup charges to have a 50% deposit of order value to be paid at time of order, balance to be bank transfer prior to shipping.

Please contact Micro Harmonics sales for account details for Bank Transfers.

4. EXPORT CONTROL: Products purchased or received under these Terms and Conditions are subject to export control laws, restrictions, regulations and orders of the United States. Buyer agrees to comply with all applicable export laws, restrictions and regulations of the United States or foreign agencies or authorities, and shall not export, or transfer for the purpose of re-export, any product to any prohibited or embargoed country. Furthermore, it is understood and agreed by Buyer and Seller that the product end-user is the individual, company, and company location identified on Buyer's Purchase Order contract and Seller's Order Acknowledgement. If the end-user of MHC's product is not those identified and acknowledged by Buyer purchase order, the Buyer must include a signed, written statement disclosing the individual name, company name, and company location for end-user that ultimately receives the product upon resale or transfer of any type by Buyer. Any willful misrepresentation of the disclosed end-user information by Buyer may be a violation of United States law.

5. ERRORS: Seller reserves the right to correct clerical or stenographic errors or omissions.

6. RETURNS: Buyer shall not return excess or unused merchandise for credit without Seller's authorization. Buyer shall obtain a return authorization number from Seller prior to any return. Seller reserves the right to decline all returns or to accept them subject to a handling charge of not less than 15%. Even after Seller has authorized the return of goods for credit, Seller reserves the right to adjust their offer in accordance with the condition of the goods on arrival at their facility. In no case will Seller offer credit for goods returned six months or more after shipment. Credit for returned merchandise is issued only to the original Buyer and not to subsequent owners of the goods.

7. PATENTS: In the event that suit is brought against Buyer alleging infringement of patents, Seller reserves the right to substitute for items which are alleged to infringe other equally suitable items without altering conditions of this sale. Seller also has the right to take back infringing items, refunding only purchase price less reasonable allowance for use.

8. SPECIFICATION CHANGES: Seller retains the right to discontinue and/or change specifications of any instrument or equipment without notice, and without incurring any obligation to incorporate new features on units previously sold.

9. LIMITATION OF LIABILITIES: In no event shall MHC be liable for any special, incidental or consequential damages of any nature including, but not limited to, damages resulting from loss of profit or revenue, recall costs, claims for service interruptions or failure to supply downtime, testing, installations or removal costs, costs of substitute products, property damage, personal injury, death or legal expenses. Buyer's recovery from MHC for any claim shall not exceed the purchase price paid by Buyer for the goods, irrespective of the nature of the claim, whether in warrant, contract or otherwise. BUYER SHALL INDEMNIFY, DEFEND AND HOLD Micro Harmonics Corporation HARMLESS FROM ANY CLAIMS brought by any party regarding products supplied by MHC and incorporated into Buyer's product.

10. WARRANTY: Micro Harmonics Corporation warrants each product of its manufacture to be free from defects in material and workmanship. MHC's obligation under this warranty is limited to servicing any product returned to MHC's facility for that purpose and to making good at MHC's facility any part or parts thereof which shall, within one year after making delivery to the original Buyer, be returned to MHC with transportation charges prepaid, and on MHC's examination shall disclose to MHC's satisfaction to have been defective. MHC reserves the right to make changes in design at any time without incurring any obligation to install same on units previously purchased. This warranty is expressly in lieu of all other obligations or liabilities on the part of Micro Harmonics Corporation. MHC neither assumes nor authorizes any other person to assume for them any other liability in connection with the sale of their products.