

GENERAL ZETTLER GROUP TERMS AND CONDITIONS OF SALE

- 1. Acceptance of Terms and Conditions.** All orders are taken subject to acceptance by the applicable ZETTLER Group Company (see front or first page) - American Zettler, Inc., ZETTLER Magnetics, Inc., ZETTLER Controls, Inc. and AZ Displays, Inc. at their Offices at 2410 Birch St., Vista, CA 92081. An acceptance by the purchaser of any goods, ordered either in writing or verbally, shall constitute an acceptance of these Terms and Conditions of Sale. Changes in specifications and drawings are subject to acceptance in the same manner as the original order, and, in any event, such changes are the responsibility of the purchaser, and the ZETTLER Group Company is to be reimbursed for all costs and materials which cannot be used due to the changed specifications.
- 2. Order Quantity and Pricing.** An increase in quantity of an acknowledged and/or a partially shipped order will be considered a new order and priced at the quantity of the increase. No credit or changes of invoices for items shipped prior to receipt of an increase will be allowed. A decrease in the quantity of an acknowledged order will subject the uncanceled items to be priced according to the quantity price applicable. Items previously shipped shall be subject to an additional billing invoice for the difference in quantity prices. The cancelled units will be subject to cancellation charges.
- 3. Annual Purchase Agreements.** The ZETTLER Group Company will accept annual purchase agreements for both individual and combined quantities of its products subject to certain minimum quantities. The ZETTLER Group Company reserves the right to bill back to the appropriate quantity discount should purchaser fail to accept the quantities as specified on such an annual agreement.
- 4. Quoted Prices and Taxes.** Quoted prices do not include taxes and all sales made are subject to any applicable taxes imposed by the Federal or State governments, or by any other governmental authority. They also do not include transportation charges which will be added at the time of invoicing. Unless otherwise stated, prices may change due to changes in import tariffs and other direct taxes between date of quotation and date of shipment.
- 5. Credit Terms and Payment Conditions.** On approved credit, our standard terms are NET 30 days with 0% discount. Other terms only, if authorized in writing by the ZETTLER Group Company. Orders placed on not approved credit are treated as pre-paid at time of purchase (see #6 for more details).
- 6. Payment Dues.** We reserve the right to hold up, suspend, or cancel any shipment or to modify the terms of payment for credit reasons. All payment dues shall be made in accordance with the agreed-upon terms specified in the invoice. Failure to make timely payments may result in the suspension of further shipments or modification of the payment terms. Any legal and/or debt collection fees incurred as the result of late or non-payment shall be the sole responsibility of the purchaser, and will be billed accordingly. In Interest Charge of 10% annual interest rate will be added to overdue balances not received after the 7 day grace period.
- 7. Non-Payment Consequences.** In the event of late or non-payment, the ZETTLER Group Company reserves the right to withhold further shipments until all outstanding dues are settled. Additionally, the purchaser shall be liable for any legal fees or debt collection expenses incurred by the ZETTLER Group Company as a result of late or non-payment.
- 8. Confirmation of Contract.** This document serves to confirm and memorialize any verbal contract or other informal agreements that may exist between the parties but are insufficient in law due to their informal nature.
- 9. Force Majeure.** ZETTLER Group Company should not be liable for any loss, damage, or delay caused by acts of God, acts of the enemy, acts or regulations or decrees of any government (de facto or de jure). The elements, earthquakes, floods, fires, riots, war, shipwreck, strikes, freight embargoes, lockouts, work stoppages, unusually severe weather or other cause above and beyond the control of ZETTLER Group Company.
- 10. Delivery.** Every effort will be made to deliver within the promised time. We will not assume any responsibility whatsoever growing out of delays beyond our control. No purchaser reschedules inside of lead times.
- 11. F.O.B.** All pricing/orders are F.O.B. Vista, CA, unless otherwise stated or agreed upon in writing. Title and risk of loss of goods pass to the purchaser at the F.O.B. point.
- 12. Notice of Defects.** Any claims for defective workmanship or material must be made in writing by the purchaser within thirty (30) days after receipt of material. The ZETTLER Group Company will not accept return of any goods without such a written notice and the issuance by the ZETTLER Group Company of a Return Authorization number. Should inspection of returned items show they are defective due to the ZETTLER Group Company's manufacture, they will be replaced at no charge to the purchaser. If inspection shows they have been damaged by the purchaser, the ZETTLER Group Company will advise the purchaser accordingly and will request repair or replacement authorization, or disposition of the returned items. Unless negotiated otherwise, RMA shipments to ZETTLER Group Company are paid by the shipper; The ZETTLER Group Company will pay for the shipment from its warehouse to the designated purchaser's shipping address.
- 13. Notice of Shortages or Incorrect Items.** All claims for shortages or incorrect items on shipments must be made in writing to the ZETTLER Group Company, within ten (10) days of receipt of shipment. Return of incorrectly shipped items must also receive a Return Authorization number from the ZETTLER Group Company.
- 14. No Harm and Indemnification.** The purchaser will protect and indemnify the ZETTLER Group Company against all claims of infringement of patents, designs, copyrights or trade names with respect to the products manufactured wholly or partially to the purchaser's designs or specifications or especially designed by the ZETTLER Group Company to meet the purchaser's requirements.
- 15. Exclusion of Additional Term.** The ZETTLER Group Company does not recognize any terms and conditions printed on purchaser's order which enlarge the ZETTLER Group Company's liability or responsibility beyond those stated in this quotation.
- 16. Waiver.** No waiver by ZETTLER Group Company of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by ZETTLER GROUP Company so waiving. No waiver by ZETTLER Group Company shall operate or be construed as a waiver in respect of any failure, breach, or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this document shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.
- 17. Cumulative Remedies.** The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise
- 18. Mandatory Choice of Forum.** Each party irrevocably and unconditionally agrees that it will not commence any action, litigation, or proceeding of any kind whatsoever against any other party in any way arising from or relating to this Agreement and all contemplated transactions, including, but not limited to, contract, equity, tort, fraud, and statutory claims, in any forum other than San Diego County Superior Court or, if such court does not have subject matter jurisdiction, the courts of the State of California sitting in United States, and any appellate court from any thereof. Each party irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and agrees to bring any such action, litigation, or proceeding only in San Diego County Superior Court or, if such court does not have subject matter jurisdiction, the courts of the State of California sitting in United States. Each party

agrees that a final judgment in any such action, litigation, or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

19. **Governing Law.** This document and all related documents, and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute are governed by, and construed in accordance with, the laws of the State of California, United States of America, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of California.
20. **Amendment.** No change or waiver of any of these conditions shall be effective unless expressed in writing and signed by an official of the ZETTLER Group Company.

LIMITED WARRANTY

The ZETTLER Group Company warrants its products to be free from defects in workmanship and material for a period of one (1) year ("Warranty Period") from the date of delivery to the purchaser buying direct from the ZETTLER Group Company or the purchaser buying direct from a Franchised Distributor of the ZETTLER Group Company.

This limited warranty includes those products manufactured to specifications supplied to the ZETTLER Group Company by the purchaser. Any defects appearing more than one year from the date of delivery to the purchaser, shall be deemed to be due to ordinary wear and tear.

This limited warranty does not cover any damage due to: (a) transportation; (b) storage; (c) improper use; (d) failure to follow the product instructions or to perform any preventive maintenance; (e) modifications; (f) unauthorized repair; (g) normal wear and tear; or (h) external causes such as accidents, abuse, or other actions or events beyond our reasonable control. Specifically, the ZETTLER Group Company assumes no risk or liability for the suitability or unsuitability or results of the use of its products, used in combination with any electrical or electronic components, circuits, systems, assemblies, or any other material, substances, or environments.

The ZETTLER Group Company shall in no event be liable for any property damage or personal injury resulting directly or indirectly from the use or operation of any goods purchased from the ZETTLER Group Company, or any apparatus containing goods purchased from the ZETTLER Group Company or for any consequential damages or loss of anticipated profits.

The ZETTLER Group Company's sole responsibility, under this warranty, shall be to repair or replace, at its discretion, F.O.B. factory. This warranty is made on the condition that prompt notice of any defect is given to the ZETTLER Group Company in writing within the Warranty Period. Defective items should be returned to the Zettler Group Company properly packed and returned prepaid by the purchaser.

The foregoing constitutes the sole and exclusive remedy of the purchaser and the exclusive liability of the ZETTLER Group Company. AND IS IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY AS TO THE MERCHANTABILITY, FITNESS FOR PURPOSE SOLD, DESCRIPTION, QUALITY, PRODUCTIVENESS, OR ANY OTHER RESULTS. In no event shall the ZETTLER Group Company be liable for special or consequential damages or for delay in performance of this warranty.

Version 011425a