



Sales Terms and Conditions

BINDING TERMS AND CONDITIONS OF SALE

The following are the terms and conditions ("Terms and Conditions") for the sale of products ("Products") by Compass Electronics Solutions ("CES") to Compass Electronics Solutions' customers ("Customers").

1. ACCEPTANCE AND CANCELLATION OF ORDERS

All orders are subject to acceptance in writing by CES or a duly authorized agent of CES. Any written acknowledgement of receipt of an order shall not, in and of itself, constitute such acceptance. All products purchased by Customers shall be deemed Non-Cancellable/Non-Returnable "NC/NR". Customer requests to reschedule are subject to acceptance by CES in its sole discretion. Orders may not be rescheduled after the order has been submitted by CES to the shipment carrier.

1a. Returns

Contact a sales representative for a Return Materials Authorization Number and addressing instructions prior to returning product. Claims for defective material shall be made in writing. No product will be accepted for return unless authorized in writing by CES. If CES agrees to accept a return, return freight charges must be prepaid by customer. CES will not accept COD shipments. If it is a reject, CES will pay freight charges.

2. PRICES

Prices will be as specified by CES and will be applicable for the period specified in CES' quote. If no period is specified, quoted prices will be applicable for thirty (30) days. Prices are subject to increase in the event of an increase in CES' costs or other circumstances beyond CES' reasonable control. If Customer does not purchase the quantity upon which quantity prices are based, Customer will pay the non-discounted price for the quantity actually purchased. Prices are exclusive of taxes, impositions and other charges, including sales, use, excise, value-added and similar taxes or charges imposed by any government authority, international shipping charges, forwarding agent's and broker's fees, bank fees, consular fees, and document fees.

3. TERMS OF PAYMENT

All payments must be made in the currency billed on the original invoice.

3.1 TERMS OF PAYMENT

For All Orders

Customer agrees to pay the entire net amount of each invoice from CES pursuant to the terms of each such invoice, without offset or deduction. Orders are subject to credit approval by CES, which may in its sole discretion at any time change the terms of Customer's credit, require payment in cash, bank wire transfer/EFT or by official bank check, and/or require payment of any or all amounts due or to become due for Customer's order before shipment of any or all of the Products. If CES reasonably believes that the Customer's ability to make payments may be impaired or if Customer fails to pay any invoice when due, CES may suspend delivery of any order or any remaining balance thereof, until such payment is made or cancel any order or any

remaining balance thereof. Customer will remain liable to pay for any Products already shipped and all Products ordered by Customer. Customer agrees to submit such financial information as Product may reasonably require for determination of credit terms and/or continuation of credit terms. Checks are accepted subject to collection and the date of collection will be deemed the date of payment. Any check received from Customer may be applied by CES against any obligation owing by Customer to CES under this or any other contract, regardless of any statement appearing on or referring to such check, without discharging Customer's liability for any additional amounts owing by Customer to CES. The acceptance by CES of such check will not constitute a waiver of CES' right to pursue the collection of any remaining balance. Invoices not paid when due will bear interest to date of payment at the annual rate of eighteen (18%) percent or such lower rate as may be the maximum permitted by law. If Customer fails to make payment when due, CES may pursue any legal or equitable remedies, in which event CES will be entitled to reimbursement of costs for collection and reasonable attorneys' fees. There is a \$25 (USD) service charge on all returned checks.

4. SALES TAX

US Shipments

When required by law CES will collect Federal, State and/or Local sale, use, excise, and other taxes that apply to a Customer's shipment. These taxes are in addition to the purchase price of the Products subject to an order. Customer will remit the correct tax unless customer is tax exempt and CES has a valid signed tax exemption certificate on file.

INTERNATIONAL Shipments

All applicable VAT, PST, HST, and/or GST charges along with brokerage fees will be the responsibility of the Customer and due at the time of delivery.

5. DELIVERY AND TITLE

All shipments by CES are F.O.B. point of shipment from CES' facility and the amount of all transportation charges will be paid to CES by the Customer in addition to the purchase price of the Products. Subject to CES' right of stoppage in transit, delivery of the Products to the carrier will constitute delivery to Customer and title and risk of loss will pass to Customer. CES will make reasonable efforts to initiate shipment and schedule delivery as close as possible to Customer's requested delivery date(s). Customer acknowledges that delivery dates provided by CES are estimates only and that CES will not be liable for failure to deliver on such dates. Selection of the carrier and delivery route will be made by CES unless specifically designated by Customer. CES reserves the right to make deliveries in installments. Delay in delivery of one installment will not entitle Customer to cancel any other installment(s). Delivery of any installment of Products within thirty (30) days after the date requested will constitute a timely delivery. Delivery of a quantity that varies from the quantity specified shall not relieve Customer of the obligation to accept delivery and pay for the Products delivered.

6. CES' LIMITED WARRANTY

All supplied items by CES are warranted to be free from defects in workmanship under normal use and service for a period of one year. CES agrees to transfer to Customer whatever transferable warranties CES receives from the manufacturer of Products sold to Customer. CES



makes no other warranty, express or implied, with respect to the Products. IN PARTICULAR, CES MAKES NO WARRANTY RESPECTING THE MERCHANTABILITY OF THE PRODUCTS OR THEIR SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE OR RESPECTING INFRINGEMENT. CES' liability arising out of any sale of products to Customer is expressly limited to repair and/or replacement of such Products, at CES' election, with such remedies exclusive and in lieu of all others. Customer must notify CES within 90 days from date of shipment of any defective product. This warranty is in lieu of any and all other warranties, whether oral, written, expressed, implied or statutory. Implied warranties of fitness for a particular purpose and merchantability are specifically excluded and shall not apply. Customer's obligations and CES' remedies with respect to defective or nonconforming products, are solely and exclusively as stated herein. Furthermore, no warranty will apply if the Product has been subject to misuse, static discharge, neglect, accident, modification, or has been soldered or altered in any way.

7. CES CORPORATE RoHS COMPLIANCE AND LEAD-FREE POLICY

It is the policy of CES Manufacturing to identify and offer products to the Customer as RoHS Compliant or Lead Free, only after specific requirements have been met. CES performs no testing of product and relies solely on the manufacturer of the product for identification of RoHS Compliance and for absence of lead. Furthermore, CES makes no warranty, certification or declaration of compliance concerning said Products. Product is advertised or offered as RoHS Complaint or Lead-Free only after sufficient evidence is received from the component manufacturer; and any inventory, either in a bin or on order, has been determined to be RoHS compliant and/or Lead Free. Any relevant evidence will be filed and maintained for at least four years from the date of receipt. CES defines the term "RoHS" as supplier declared compliance to all restricted hazardous substance regulations under the ELV, WEEE or RoHS EU directives, regulations or laws. CES defines the term "Lead Free" as pertaining to any product that has been declared by a Supplier to be "Lead Free". All statements by CES of RoHS compliance are based on producer documentation.

8. LIMITATION OF LIABILITY

IN NO EVENT SHALL CES 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, installation or removal costs, costs of substitute products, property damage, personal injury, death or legal expenses. Customer's recovery from CES for any claim shall not exceed the purchase price paid by Customer for the goods, irrespective of the nature of the claim, whether in warrant, contract or otherwise. CUSTOMER SHALL INDEMNIFY, DEFEND AND HOLD CES HARMLESS FROM ANY CLAIMS BROUGHT BY ANY PARTY REGARDING PRODUCTS SUPPLIED BY MOUSER AND INCORPORATED INTO THE CUSTOMER'S PRODUCT.

9. FORCE MAJEURE

CES will not be liable for delays in delivery or for failure to perform its obligations due to causes beyond its reasonable control including, but not limited to, product allocations, material shortages, labor disputes, transportation delays, unforeseen circumstances, acts of God, acts or omissions of other parties, acts or omissions of civil or military authorities, Government priorities, fires, strikes, floods, severe weather conditions, computer interruptions, terrorism, epidemics,



quarantine restrictions, riots or war. CES' time for delivery or performance will be extended by the period of such delay or CES may, at its option, cancel any order or remaining part thereof, without liability by giving notice to Customer.

10. EXPORT CONTROL

CES Manufacturing is committed to compliance with all U.S. Export Regulations and Laws. CES will not sell or ship to countries embargoed by the U.S. Treasury Office of Foreign Asset Control (OFAC). CES will not sell or ship to individuals or organizations identified by the U.S. Treasury as Specially Designated Nationals and Blocked Persons. CES will not sell or ship products prohibited under Export Administration Regulations to individuals or organizations identified by the U.S. Department of Commerce, Bureau of Industry and Security (BIS). The sale, resale or other disposition of Products, and any related technology or documentation, are subject to the export control laws, regulations and orders of the United States and may be subject to the export and/or import control laws and regulations of other countries. Customer agrees to comply with all such laws, regulations and orders. Customer further acknowledges that it shall not directly or indirectly export any Products to any country to which such export or transmission is restricted or prohibited. Customer acknowledges its responsibility to obtain any license to export, re-export or import as may be required.

11. GENERAL

The Terms and Conditions may not be modified or cancelled without CES' written agreement. Accordingly, goods furnished, and services rendered by CES are sold only on the terms and conditions stated herein. The sale of Products hereunder will be governed by the Terms and Conditions, notwithstanding contrary or additional terms and conditions in any order purchase order, planning schedule, acknowledgment, confirmation or any other form or document issued by either party affecting the purchase and/or sale of Products. Notwithstanding any terms and conditions on Customer's order, the information and conditions on the Credit Application are controlling over Customer and CES. Any conflicting statements or terms listed on the Customer purchase orders, invoices, confirmations or other Customer generated documents ("Customer Documents"), whether heretofore or hereafter submitted, are negated by submission of the Credit Application and the issuance of credit by CES, and all different or additional terms and conditions contained in any Customer Documents are hereby objected to by CES. CES' performance of any contract is expressly made conditional on Customer's agreement to CES' Terms and Conditions of Sale, unless otherwise specifically agreed upon in writing by CES. In the absence of such agreement, commencement of performance and/or delivery shall be for Customer's convenience only and shall not be deemed or construed to be acceptance of Customer's terms and conditions or any of them. If a contract is not earlier formed by mutual agreement in writing, acceptance by Customer of any goods or services shall be deemed acceptance by Customer of the terms and conditions stated herein. No rights, duties, agreements or obligations hereunder, may be assigned or transferred by operation of law, merger or otherwise, without the prior written consent of CES. The obligations, rights, terms and conditions hereof will be binding on the parties hereto and their respective successors and assigns. The waiver or breach of any term, condition or covenant hereof, or default under any provision hereof, will not be deemed to constitute a waiver of any other term, condition, or covenant contained herein, or of any subsequent breach or default of any kind or nature. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or



enforceability of such provision in any other jurisdiction. The Terms and Conditions will be governed by and construed in accordance with the laws of the California and the applicable laws of the United States.

