

BH ELECTRONICS, INC. STANDARD TERMS AND CONDITIONS

These Standard Terms and Conditions constitute an agreement between BH Electronics, Inc. ("BH") and the purchaser ("Purchaser") of products from BH pursuant to an order duly accepted by BH in writing and shall govern all aspects of the purchase transaction unless otherwise agreed in writing

I. RISK OF LOSS - Unless otherwise stated in writing by BH Electronics, Inc. ("BH"), all prices shown are EXW (Incoterms 2020) at the applicable BH manufacturing facility, and do not include cartage, insurance charges, taxes or similar charges.

II. NO CANCELLATION - All orders accepted by BH in writing are NON-Cancelable and NON-Returnable unless otherwise agreed to in writing by BH at the time of order acceptance, or unless cancelled due to a Force Majeure Event (as defined below).

III. DELIVERIES - BH Electronics, Inc. will use commercially reasonable efforts to meet the requirements of Purchaser's delivery schedule but shall be committed only to the delivery schedule shown on the order acceptance. BH shall not be liable for any delay in delivery of reasonable duration resulting from any cause whatsoever. In addition, BH shall not be liable for any delay in production, delivery, supervision or installation of equipment if such delay is due to one or more of the following causes (each, a "Force Majeure Event"):

Fire, strike, lockout, dispute with workers, flood, accident, delay in transportation, shortage of fuel, inability to obtain material, war, embargo, demand or requirement of the United States or any government or war activity, epidemic, pandemic or other public health emergency, or any cause whatsoever beyond the reasonable control of BH.

BH shall promptly notify Purchaser of any delay due to a Force Majeure Event. In the event a Force Majeure Event continues for more than 30 days, Purchaser will have the right to cancel all or any portion of the order upon written notice to BH prior to shipping; provided, however, Purchaser shall be liable for all cancellation charges applicable to the transaction as shown on the order acceptance. These charges may include BH costs related to finished goods, work-in-process and/or raw material acquired to complete the order.

IV. AGE OF PARTS - BH does not guarantee parts shipped will be less than 2 years old or that all parts will have the same date code/lot. All product is inspected and/or tested before shipping. If the same date code is required for any shipment, a separate quote to include revised costs and lead time must be obtained from BH.

V. WARRANTY; LIMITATION OF LIABILITY - BH warrants that any product manufactured by it, bearing its identification and purchased through BH will be free from defects in workmanship or material when shipped. BH will rework or replace, free of charge and return shipment at lowest cost transportation prepaid, any such product suffering from a defect in workmanship or material identified when received by Purchaser or that becomes apparent under normal use and service. To be covered by the above warranty, any such product must be returned transportation collect to BH within one year after the date of shipment by BH and must be found by BH inspection to be defective in workmanship or material; provided further, any attempt by Purchaser or Purchaser's customer to repair any such products shall void the above warranty. Purchaser will notify BH prior to return of any such defective product to obtain a Return Authorization number which is to be referenced on return shipping documents. If inspection by BH does not disclose any breach of the above warranty, supporting documents will be provided to Purchaser.

OTHER THAN THOSE WARRANTIES EXPRESSLY MADE IN THIS AGREEMENT, BH MAKES NO WARRANTY, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

IN NO EVENT WILL BH BE LIABLE TO PURCHASER FOR ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO LOST REVENUES, PROFITS OR GOODWILL, FOR ANY MATTER ARISING OUT OF OR IN CONNECTION WITH BH'S PERFORMANCE OR NONPERFORMANCE OF THIS AGREEMENT, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT OR OTHERWISE, EVEN IF BH HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

VI. TERMS OF PAYMENT - Open credit (Net 30 days from date of shipment) may be granted with pre-approval by BH credit department (requires 3 to 4 US trade references demonstrating acceptable compliance with Net 30-day terms). BH does not accept references from distributors. BH may accept Visa, Mastercard or American Express for small orders. Prepayment by international funds transfer may be required for international customer orders. Advance payment may be required when ordering custom products or special-order standard products. Invoices past due may be subject to a late payment charge. All payments shall be in legal currency of the United States.

VII. INFRINGEMENT DEFENSE - BH agrees that it will, at its own expense, defend any claim or suit brought by any third party against Purchaser or its customers for alleged infringement of United States patents relating to the products covered by this order, provided Purchaser gives BH prompt notice in writing of any such claim or suit; and provided further that Purchaser gives all needed information, assistance and authority to enable BH to conduct such defense; and in case of a final, non-appealable award of damage in any suit, BH will pay such award, but shall not be responsible for any compromise or settlement between Purchaser and the third party claimant unless BH has consented in writing to such compromise or settlement, which BH may grant or withhold in its sole discretion. BH shall have no obligation for such defense and indemnification where the products covered by this order are manufactured by BH pursuant to designs provided by Purchaser, in which case, Purchaser will indemnify and hold BH harmless from and against any infringement claim or suit brought by a third party against BH.

VIII. GOVERNING LAW - The validity, performance and construction of these terms and conditions and any sale made hereunder shall be governed by the internal laws of the State of Minnesota without application of any choice of law provisions of any jurisdiction.

IX. REPRODUCTION RIGHTS - Purchaser agrees that all information disclosed, obtained or discovered by Purchaser or its representatives from, but not limited to, samples, drawings, prints, publications, specifications, processes, manufacturing techniques, verbal explanations, schedules and the like, as a result of this order are received in confidence and are the confidential and proprietary property of BH and that such information shall not be reproduced or used by Purchaser or transmitted or disclosed to any person or organization by Purchaser without the prior written consent of BH.

X. FEDERAL LAW - BH will comply with all provisions of federal law applicable to the manufacture, sale and delivery of the subject products to Purchaser to the extent set forth in the applicable accepted purchase order.

XI. TAXES - The amount of any and all present or future taxes or other government charges upon the production, sale or shipment of products covered hereby, including use taxes, shall be added to the price paid by Purchaser, or in lieu thereof Purchaser shall furnish BH with tax-exemption certificates acceptable to the taxing authorities.

XII. CLAIMS FOR SHORTAGE, ETC - Each shipment shall be examined by Purchaser promptly upon its receipt thereof, and any claim for shortage or any other complaints with respect to the shipment must be reported to BH within 5 days after such receipt.

XIII. RETURN GOODS - No goods shall be returned without prior written authorization in the form of a valid RMA number. All goods returned without authorization will be returned to Purchaser freight collect.

XIV. QUANTITY ASSURANCE - Unless otherwise agreed in writing, certifications will be provided only on BH standard certification forms. In the event of source inspection by Purchaser or any government authority, BH reserves the right to designate the place within the plant where inspection may be performed and to deny access to areas and processes considered proprietary to BH.

XV. QUANTITY TOLERANCE - Unless otherwise agreed, a variation in quantity not to exceed plus or minus five percent (5%) of the amount stated in the order will be considered to be in compliance with the terms of the order.

XVI. SPECIAL TOOLING AND EQUIPMENT - Special tools and equipment (i.e. dies, patterns, jigs, molds, etc.) used in manufacture of products covered hereby may be furnished by BH at the full expense of Purchaser and shall be kept in good condition, normal wear and tear being accepted, for follow-on orders and shall be replaced, when necessary, at the expense of Purchaser. All special tools and equipment fully paid for by Purchaser are the property of Purchaser and will be delivered on demand at Purchaser's expense. Special tools and equipment paid for by Purchaser and not used for more than two (2) years from the last production will be available to be sent to Purchaser if Purchaser notifies BH in writing of its election to take possession of such tools and equipment before the expiration of such two-year period and agrees to pay all shipping expense; otherwise BH may scrap such tools and equipment in its sole discretion without further liability to Purchaser.