

## TERMS AND CONDITIONS OF SALE

**BuyBluetooth** and/or its affiliates and subsidiaries (all hereinafter called "Seller") acceptance of Buyer's Purchase Orders and Change Orders thereto (herein collectively "Purchase Orders" or "Purchase Order") is expressly conditioned on Buyer's assent to all of the below Terms and Conditions of Sale, which shall apply to and form a part of every Purchase Order issued by Buyer and shall supersede and replace any other terms and conditions appearing on Buyer's Purchase Order.

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### Section 1 - Products To Be Supplied.

The Seller shall sell and deliver to the Buyer and the Buyer shall purchase and accept delivery and pay for, subject to the terms and conditions hereinafter specified, products manufactured and/or supplied by Seller (hereinafter "Products") as may from time to time be ordered by Buyer.

### Section 2 - Ordering Procedures.

Purchase Orders issued by Buyer to Seller shall set forth the Purchase Order number, the part number and/or other identifying information if no part number exists, along with the specifications of the Products to be provided, prices, Seller's quotation reference number (if applicable), quantities, date or dates of delivery, and instructions regarding invoicing and shipping destination. Seller shall accept all Purchase Orders issued in accordance with the provisions hereof with a firm Purchase Order Acknowledgment issued by Seller by e-mail within ten (10) working days of Seller's receipt of a Purchase Order or Seller shall notify Buyer of the reason Seller declines to accept said Purchase Order. Seller's delivery commitment to Buyer shall be the schedule provided in the firm Purchase Order Acknowledgment issued by Seller.

### Section 3 - Change Orders.

Modifications to any Purchase Order previously accepted by Seller as provided herein that affect the specification, price, delivery time, or interchangeability of any Product, can only be made by a Change Order signed by the authorized representatives of Buyer and Seller. The Change Order shall include the reason for the change; a description of the change; the effect on the specification, price, delivery time and/or interchangeability of the Product; and the effective date of the change.

### Section 4 - Pricing.

All pricing of Products shall be based upon the prices in effect on the date of acceptance by Seller of Buyer's Purchase Order, as provided herein. The prices set forth in the Purchase Order shall be firm, fixed prices, ex-works Seller's facility. All prices are in U.S. dollars. ALL PRICES ARE SUBJECT TO CHANGE WITHOUT NOTICE.

### Section 5 - Taxes, Duties and Other Charges.

All prices are exclusive of any sales, use, excise, value-added, or other taxes, duties, or similar charges, which may be imposed by any federal, state, or local taxing authority arising from the sale, use, or transfer of any Product delivered or performed under a Purchase Order. Any such taxes, duties, or similar charges shall be for the account of the Buyer. In addition to the purchase price of the Products, Buyer shall reimburse Seller upon demand for the amount of any such taxes, duties or similar charges that Seller is required to pay or collect. If Seller has reason to believe that any such tax, duty or similar charge will be applicable, Seller shall separately state the amount of any such tax, duty or similar charge in its invoice. Notwithstanding the above,

Buyer shall in no event be responsible for any income taxes payable by Seller to any federal, state or local taxing authority.

#### Section 6 - Delivery.

Delivery of Products shall be exclusively by Federal Express (FedEx) F.O.B. (Uniform Commercial Code) Seller's facility for U.S. shipments or Free Carrier (FCA-2000 Incoterms) Seller's facility for non-U.S. shipments. Seller reserves all rights with respect to delivered Products permitted by law including, but not limited to, the rights of rescission, repossession, resale, and stoppage in transit until the full amount due from Buyer in respect to all delivered Products has been paid in full. Risk of loss shall pass to Buyer upon delivery to the F.O.B./FCA point or upon delivery into storage (in the event of a "ship in place" shipment). All shipping expenses from the F.O.B./FCA point to Buyer, including transportation and insurance costs, shall be for the account of Buyer. If such shipping expenses are prepaid by Seller on behalf of Buyer, such expenses shall be payable to Seller upon demand. Seller reserves the right to make partial shipments against total Purchase Order requirements and deliver in advance of the scheduled delivery date whenever possible.

#### Section 7 - Payment Terms.

Unless otherwise stated in Seller's proposal, all payment terms are net zero (0) days from the date of Seller's invoice. Net 30-day payments shall be as specified in Seller's proposal. Where and to the extent specified in Seller's proposal, an irrevocable letter of credit, confirmed by a bank designated by Seller, may be required; such letter of credit shall be subject to review and concurrence by Seller as to its content prior to issuance. All fees and expenses in connection with such letter of credit, and its confirmation, shall be borne by Buyer. An additional 3% price increase shall be applied to each client order at the time of purchase if client requests extend terms of Net 30-days.

#### Section 8 - Past Due Payments.

In the event that Buyer shall fail to make payment within thirty (30) days of the date of an invoice, then Buyer shall pay to Seller late fees, up to the maximum amount allowed by applicable law, for the carrying costs of the payments in arrears, which shall be based on the rate of twenty-four percent (24%) per annum, and calculated from the ship date through the date of actual payment is received. Such late fees shall become immediately due and payable by Buyer in addition to any past due payments. In addition, after written notice to Buyer for payment thereof and for so long as such indebtedness shall remain unpaid, Seller shall have the right, in addition to such other remedies as it may have available, to (1) decline to make further deliveries of Products to Buyer and impose storage charges and inventory carrying charges, if any, (2) assess charges for all costs of collection including, but not limited to, attorneys' fees incurred in connection therewith, and/or (3) impose revised payment terms including, but not limited to, Cash In Advance (C.I.A.) or confirmed irrevocable letter of credit (C.L.O.C.), collectively against all existing or future Purchase Orders which Buyer may have with Seller. Until the purchase price and all other sums due pursuant hereto are paid in full, Seller retains a security interest in the Products sold to Buyer and Buyer shall execute financing statement(s) on request and irrevocably authorizes Seller to execute and file the same.

#### Section 9 - Disputed Invoices.

If Buyer disputes any invoice, or portion thereof, rendered by Seller, Buyer will so notify Seller within ten (10) working days of the date of Seller's invoice and failure to provide notification within said period shall be deemed acceptance of Seller's invoice by Buyer. The parties will use all reasonable efforts to resolve such disputes expeditiously. Notwithstanding any invoice disputes, Buyer shall promptly remit payment on those invoices, or portions thereof, not in dispute.

#### Section 10 - Specifications.

All Products shall conform to the specification mutually agreed to by the Buyer and Seller in the applicable Purchase Order and Purchase Order Acknowledgement.

#### Section 11 - Inspection and Acceptance.

Final inspection and acceptance by Buyer shall be made within thirty (30) days of the date of shipment of a Product. Failure to provide notification of rejection within said period shall be deemed acceptance of a Product by Buyer.

#### Section 12 - Packaging.

All Products shall be prepared and packaged in accordance with generally accepted industry practices suitable for the means of transportation exclusively by Federal Express (FedEx) shipment.

#### Section 13 - Warranty.

Unless otherwise stated in Seller's proposal, Seller warrants that all Products shall, at the time of shipment, conform to the applicable specification and be free from defects in material and workmanship for a period of one 6 months from date of shipment under normal use and service in accordance with Seller's installation, operating, maintenance and other written instructions. Seller's obligation and Buyer's sole remedy under this warranty shall be limited to: (i) the repair; (ii) the replacement; or (iii) a refund of the price allocable to the Product purchased; for the nonconforming warranted Product, or any part thereof, solely at the option of the Seller. SELLER'S WARRANTY SHALL BE IN LIEU OF ALL OTHER WARRANTIES, WHETHER ORAL, WRITTEN, EXPRESS, IMPLIED OR STATUTORY, WHICH ARE HEREBY DISCLAIMED AND EXCLUDED BY SELLER, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF FITNESS OR MERCHANTABILITY. NO AGREEMENT VARYING OR EXTENDING THE FOREGOING WARRANTY, REMEDIES, OBLIGATIONS, OR THIS LIMITATION SHALL BE BINDING UPON SELLER UNLESS IN WRITING AND SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF SELLER.

#### Section 14 - Exclusive Remedy.

Buyer's exclusive remedy hereunder is limited to the furnishing of replacement parts on an exchange basis, to the repair or replacement of defective parts at Seller's plant, or, at Seller's option, to refund the price allocable to the Product purchased, but in any case, only so long as an examination by Seller within the period of warranty reveals the parts to be defective, and in all cases, all costs of shipping and packaging shall be borne by the Buyer. Buyer accepts and acknowledges that the allocation of risk provided herein is reflected in then purchase price.

#### Section 15 - Limitation of Liability.

THE PRICE ALLOCABLE IN THIS PURCHASE ORDER TO ANY PRODUCT ALLEGED TO BE THE CAUSE OF ANY LOSS OR DAMAGE TO THE BUYER SHALL BE THE CEILING LIMIT OF SELLER'S LIABILITY, WHETHER FOUNDED IN NEGLIGENCE, BREACH OF CONTRACT OR WARRANTY, OR STRICT LIABILITY ARISING OUT OF OR IN CONNECTION WITH (1) THIS PURCHASE ORDER OR (2) THE DESIGN, MANUFACTURE, DELIVERY, SALE, REPAIR, REPLACEMENT OR USE OF ANY SUCH PRODUCT. IN NO EVENT SHALL SELLER HAVE ANY LIABILITY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUES OR USE OF EITHER BUYER OR ANY PARTY IN PRIVACY WITH BUYER.

#### Section 16 - Proprietary Rights.

Sale of the Products does not convey to Buyer any right or license under any present or future patent, trademark, copyright, trade secret or other intellectual property right owned, controlled, or licensed by Seller.

#### Section 17 - Patent Indemnity.

Buyer shall defend and indemnify Seller against and hold harmless Seller from all claims, suits, judgments, losses, damages, fines and costs (including reasonable attorneys fees and expenses), of patent infringement resulting from (1) material, items and components manufactured by Seller to Buyer's specification, (2) Buyer's use of the Products in a manner in which the same were neither contemplated nor designed, (3) any claim that the use of an unauthorized modified version of the Products or of any unauthorized combination thereof with any other device, equipment or technology infringes a patent right of a third party, provided that the infringement would not have occurred except for the modification or combination, (4) Buyer's failure to use non-infringing interchangeable substitute Products furnished by Seller to avoid infringement and (5) a patent right owned, controlled or licensed by Buyer or its affiliates.

#### Section 18 - Excusable Delay.

Neither party shall be responsible for nor be deemed to be in default under this Purchase Order on account of any delay in delivery of any Product or any failure to perform hereunder which may arise from acts of God, war, fires, unusually severe weather, explosions; serious accidents; any act of government, governmental priorities, allocation regulations or orders affecting materials, facilities or completed Products; strikes or labor troubles; delay in transportation; inability after due and timely diligence to procure materials, equipment or

parts; or due to any other cause to the extent it is beyond such party's reasonable control and not occasioned by such party's fault or negligence. Delays or failure to perform resulting from any of the foregoing causes are referred to as "Excusable Delays". If Excusable Delay of either party prevents timely performance of any of its obligations hereunder, then the time for performance by said party shall be extended by a period of working days equal to the time lost by reason of such Excusable Delays, provided that the first party shall promptly notify the other party of any Excusable Delay affecting its performance.

#### Section 19 - Termination for Default.

If at any time either party shall be in default hereunder and shall fail to remedy such default to the reasonable satisfaction of the other party within thirty (30) days following notice from such other party specifying such default, such other party may terminate this Purchase Order by written notice of termination to the defaulting party within ten (10) days following the said thirty (30) days. Either Buyer or Seller may terminate this Purchase Order immediately upon written notice if the other party (1) becomes insolvent; (2) files a voluntary petition in bankruptcy; (3) executes an assignment of substantially all of its assets for the benefit of creditors; (4) is adjudicated a bankrupt or insolvent or a receiver or trustee is appointed for that party; or (5) the other party terminates its existence or ceases to do business. Unless otherwise mutually agreed in writing, any termination of this Purchase Order shall operate as a cancellation of the entire undelivered or unperformed portions of the Purchase Order placed hereunder by Buyer and accepted by Seller prior to the effective date of such termination.

#### Section 20 - Termination for Convenience.

Buyer may terminate, for its convenience, this Purchase Order, in whole or in part, by providing written notice to the Seller at least thirty (30) days prior to the effective date of the termination. After the effective date of the termination, Seller shall (1) discontinue all work with respect to that portion of the Purchase Order terminated by Buyer, (2) place no additional orders or subcontracts for materials or services as to that part of the work terminated, and (3) take such other commercially reasonable action as may reduce the termination costs due Seller under this Section. In the event Buyer terminates any Purchase Order, in whole or in part, Buyer shall pay to Seller (1) an amount equal to the aggregate purchase price of all Products completed or Services performed prior to the effective date of termination; and (2) all of Seller's termination costs incurred in the production of all uncompleted Products (including, but not limited to, raw materials, fabricated or un-fabricated parts, work in process, supplies and other material, labor, un-recovered non-recurring costs, payments to suppliers, general and administrative overhead costs) plus a charge of twenty percent (20%), of the entire undelivered or unperformed portions of the Purchase Order placed hereunder by Buyer and accepted by Seller prior to the effective date of such termination, for loss of production capacity and profits. In no event shall termination costs exceed the total purchase price of the Products terminated by Buyer.

#### Section 21 - Confidential Information.

Except in any proceeding to enforce the provisions of this Purchase Order, neither party will disclose to any third party any information marked as "CONFIDENTIAL" by the disclosing party, without the prior consent of the disclosing party.

#### Section 22 - Applicable Law.

THIS PURCHASE ORDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO, UNITED STATES, WITHOUT REFERENCE TO ANY CONFLICT OF LAW RULES. THE UNITED NATIONS CONVENTION FOR THE INTERNATIONAL SALE OF GOODS (1980) IS HEREBY EXCLUDED IN ITS ENTIRETY.

#### Section 23 - Compliance with Laws.

Buyer and Seller shall comply with all statutes, laws, ordinances, regulations, rules and orders enacted or adopted by any federal, state, local, municipal or other authority or governmental body which may pertain to the conduct of the parties' business and their obligations hereunder. Buyer and Seller shall obtain and pay for all permits, fees and licenses required to perform their respective obligations hereunder.

Section 24 - Export and Import Regulations.

This Purchase Order is subject to all United States laws and regulations related to exports and to all administrative acts of the United States Government pursuant to such laws and regulations. Except with the prior written approval of the United States Government, the Products provided by Seller to Buyer hereunder shall not be, directly or indirectly, sold, leased, assigned, transferred, conveyed or in any other manner be disposed of in any country on an United States embargoed or restricted list. Buyer represents and warrants to Seller that it shall not export any Products covered by this Purchase Order in violation of United States export laws and regulations. Buyer shall apply for and obtain any United States export licenses/approvals required to enable Seller to export the Products from the United States and any import licenses/approvals required at the foreign point of entry.

Section 25 - Indemnity.

Buyer shall defend, indemnify and hold harmless Seller, its affiliates and their directors, officers, employees and agents, from and against all claims, losses, damages, actions, suits or judgments, including, without limitation, costs and expenses incident thereto (including, without limitation, court costs and reasonable attorneys' fees), arising in whole or in part out of the negligence or willful misconduct of Buyer, its affiliates and its and their directors, officers, employees and agents, in connection with the installation, modification, or operation of the Products.

Section 26 - Assignment.

The rights and privileges of this Purchase Order cannot be assigned or transferred, in whole or in part, by operation of law or otherwise, by either party without the prior written approval of the other party, which consent shall not be unreasonably withheld. Notwithstanding the above, this Purchase Order may be assigned by either party, without the consent of the other party, (1) to an affiliate of the assigning party or (2) through merger, consolidation, reorganization, or voluntary sale or transfer of substantially all of the business being conducted by the assigning party.

Section 27 - Entire Agreement.

These Terms and Conditions of Sale set forth the entire agreement and understanding between the parties as to the subject matter hereof and supersede all prior discussions between them. No waiver or modification of these Terms and Conditions of Sale shall be binding upon the parties unless made in writing, signed by duly authorized representatives of both parties, and specifically provide for the amendment of these Terms and Conditions of Sale.

Section 28 - Waiver.

The failure of either party to insist, in any one or more instances, upon the performance by the other party of any of the terms, conditions or provisions of these Terms and Conditions of Sale, or to exercise any right under these Terms and Conditions of Sale, shall not be construed to be a waiver of the future performance of any such term, condition or provision or the future exercise of such right, but the obligations of each party with respect to such future performance shall continue in full force and effect.

Section 29 – Severability.

If any of the Terms and Conditions of Sale herein are at any time held to be invalid or unenforceable, such term or condition shall be construed as severable and shall not in any way render invalid or unenforceable the remainder of the terms and conditions which shall remain in full force and effect.