

WDL Systems, LLC

BINDING TERMS AND CONDITIONS OF SALES

The following are the terms and conditions of agreement ("Terms and Conditions") for the sale of products ("Products") by WDL Systems, LLC ("WDL") to WDL's customers ("Customers").

Agreements under these Terms and Conditions of sale form the sole agreement with respect to the sale of products, and supersedes all proposals, negotiations, conversations, discussions, agreements and/or representations, whether oral or written, including any industry custom or past dealing between the parties relating to the sale of products.

ACCEPTANCE AND CANCELLATION OF ORDERS

Website availability and pricing is an invitation to Customer to tender an offer. Responses to quotes, and other inquiries for pricing and availability are not construed as an offer by WDL. Acceptance will be in writing, by either an Order Confirmation e-mail or Electronic Data Interchange ("EDI") acknowledgement. Acceptance can also be through execution of Customer's order by WDL. When a Customer orders a product from the WDL's website, the preliminary written reply to the order issued on the WDL's website does not mean that the order has been accepted. The written reply is only used to let the Customer know that the order has been entered into the WDL's computer system. Orders accepted by WDL may be cancelled by Customer upon written consent of WDL provided such order is not "NC/NR" or "Non-Cancelable/Non-Returnable," "Non-Standard Products," or governed by a Purchase Agreement Letter. Non-standard products are product WDL has to order from a supplier specifically for the Customer. This also includes, products not normally in stock, or orders where value-added services have been incorporated into products. Non-standard products are non-cancelable, non-returnable and non-refundable. WDL may identify Products as nonstandard or "NC/NR" by various means including quotes, Products lists, attachments or exhibits. Customer may not change, cancel or reschedule Orders for Products without WDL's consent. If after acceptance by WDL of the Customer's order, the Customer cancels the order, WDL may request the Customer pay WDL reasonable cancellation or reliance charges. These charges are paid to WDL by the Customer. Customer requests to reschedule are subject to acceptance by WDL in its sole discretion. Orders shall not be cancelled or rescheduled after the order has been submitted by WDL to the shipment carrier, WDL RESERVES THE RIGHT TO LIMIT OR CANCEL ANY ORDER, AND HAS SOLE DISCRETION, TO ALLOCATE SALES, LIMIT QUANTITIES OF SELECTED PRODUCTS, AND LIMIT SELECTED PRODUCTS TO ITS CUSTOMERS. WDL RESERVES THE RIGHT TO REJECT ANY ORDER, OR ANY PART OF AN ORDER. PRODUCT SPECIFICATIONS AND AVAILABILITY ARE SUBJECT TO CHANGE WITHOUT PRIOR NOTICE.

Returns

Returns are normally accepted when completed within 30 days of the ship date for the convenience of the Customer. If WDL agrees to accept a return, return freight charges must be prepaid by Customer. WDL will not accept COD shipments. Some products may require return directly to the manufacturer. All return items must be in the original packaging, unused, untested, un-programmed, and in resalable condition. Contact a Customer Service Representative for a Return Materials Authorization Number and addressing instructions prior to returning product. Any ESD, programmable semiconductors, or moisture sensitive product returned that has been opened will not be eligible for credit. These statements concerning Returns, do not apply to NON-CANCELABLE/NON-RETURNABLE PRODUCTS. (See the NON-CANCELABLE/NON-RETURNABLE PRODUCTS section in these terms.)

Counterfeit Product Prevention Clause

Only products originally shipped from WDL or from a supplier at WDL's direction (drop-ship) will be returned to WDL. All others will be promptly quarantined and disposed of or returned to the Customer. By a Customer returning products to WDL, the Customer certifies that the products were purchased from WDL and there has been no substitution in whole or part of same product from another supplier, distributor or other such source of the product. The return should be in the original packaging (manufacturer or WDL), in unused and untested condition (except defective). ESD, programmable semiconductors, or moisture sensitive products should not be opened.

PRICES

WDL makes every effort to provide current and accurate information relating to prices, but does not quarantee the currency or accuracy of any such information. Prices are subject to change at any time prior to WDL's completion of your order. In the event WDL discovers an error in pricing, we will notify Customer of the corrected version, and Customer may choose to accept the corrected version, or cancel the order. WDL is not responsible for pricing, typographical, or other errors in any communication with the Customer, and reserves the right to cancel any orders arising from such errors. Orders are billed at the prices and currency in effect at the time of shipment. Prices will be as specified by WDL and will be applicable for the period specified in WDL's quote. Unless otherwise stated on the quote, quotes are invitations to tender and are subject to change at any time without notice. If no period is specified, quoted prices will be applicable for thirty (30) days. The website reflects the latest pricing information. Prices shown on the website are subject to change without notice. Prices are subject to increase in the event of an increase in WDL's costs or other circumstances beyond WDL's reasonable control, including but not limited to, manufacturers' price increases, change in exchange rate, or quoting errors. 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 and/or a cancellation or restocking fee. 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.

TERMS OF PAYMENT

All payments must be made in the currency billed on the original invoice, credit card or PayPal receipt. Credit cards accepted include major credit cards, purchase cards, and major bank debit cards including MasterCard, VISA, and American Express. Credit Card billing information must be verified on new Customers prior to shipment of order. Payment via net thirty (30) days is available to businesses, schools, and agencies with three references or as otherwise specified by WDL. Prepaid Wire Transfer/EFT/Proforma: Customers can wire the funds to our bank. After your order is placed we will e-mail a Proforma invoice which includes our bank information, the merchandise total and shipping charges. We will reserve stock for your order for 72 hours on orders awaiting funds. Orders will be canceled after 20 business days if funds have not been received. Customer is responsible for duties and taxes.

For all orders Customer agrees to pay the entire amount of each invoice from WDL in accordance with the terms of each invoice, without offset or deduction. Orders are subject to credit approval by WDL, 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 WDL reasonably believes that the Customer's ability to make payments may be impaired, or if Customer fails to pay any invoice when due, WDL may suspend delivery of any order, or any remaining balance, until such payment is made, or cancel any order, or any remaining balance. Customer will remain liable to pay for any Products already shipped, and all Non-Standard Products ordered by Customer. Customer agrees to submit such financial information as WDL 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 WDL against any obligation owed by Customer to WDL 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 owed by Customer to WDL. The acceptance by WDL of such check will not constitute a waiver of WDL's 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 Ten (10%) percent or such lower rate as may be the maximum permitted by law. If Customer fails to make payment when due, WDL may pursue any legal or equitable remedies, in which event WDL will be entitled to reimbursement of costs for collection and reasonable attorneys' fees. There is a \$25 (USD) service charge on all returned checks.

SALES TAX

US Shipments: When required by law WDL 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 WDL 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.

DELIVERY AND TITLE

Domestic shipments by WDL are typically FCA point of shipment from WDL's facility, and the amount of all transportation charges will be paid to WDL by the Customer in addition to the purchase price of the Products. Subject to WDL's 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. WDL 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 WDL are estimates only, and that WDL will not be liable for failure to deliver on such dates. Selection of the carrier and delivery route will be made by WDL unless specifically designated by Customer. WDL 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. International shipments follow the Incoterms published by the International Chamber of Commerce. An Incoterm for a Customer order is selected by WDL based on Customer address, destination and/or currency. Title transfer will be in accordance with the Incoterm selected for the shipment by WDL. By default, if incoterm is not specified, the incoterm will be FCA point of shipment from WDL's facility.

WDL'S LIMITED WARRANTY

WDL agrees to transfer to Customer whatever transferable warranties WDL receives from the manufacturer of Products sold to Customer. WDL makes no other warranty, express or implied, with respect to the Products. IN PARTICULAR, WDL MAKES NO WARRANTY RESPECTING THE MERCHANTABILITY OF THE PRODUCTS OR THEIR SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE, OR RESPECTING INFRINGEMENT. WDL's liability arising out of any sale of products to Customer is expressly limited to either (1) Refund of the purchase price paid by Customer for such Products (without interest), or (2) Repair and/or replacement of such Products, at WDL's election, with such remedies exclusive, and excluding all others. Customer must notify WDL within 90 days from date of shipment of any defective product. This warranty excludes 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 WDL's 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.

WDL CORPORATE RoHS COMPLIANCE AND LEAD-FREE POLICY

It is the policy of WDL to identify and offer products to the Customer as RoHS Compliant or Lead Free, only after specific requirements have been met. WDL 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, WDL 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. WDL 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. WDL defines the term "Lead Free" as pertaining to any product that has been declared by a Supplier to be "Lead Free". All statements by WDL of RoHS compliance are based on producer documentation.

PRODUCT COUNTRY OF ORIGIN

WDL will provide Country of Origin information on all products in its inventory upon request. This information is based on manufacturer-provided information according to US Treasury, US Customs Regulations. Our manufacturers do not provide WDL with the country of origin of each raw material or subcomponent that is incorporated into the Manufacturer's final product. An addition fee for Country of Origin documentation may be levied if the manufacturer requires one.

LIMITATION OF LIABILITIES

IN NO EVENT SHALL WDL 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 WDL 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 WDL HARMLESS FROM ANY CLAIMS BROUGHT BY ANY PARTY REGARDING PRODUCTS SUPPLIED BY WDL AND INCORPORATED INTO THE CUSTOMER'S PRODUCT.

PRODUCT SAFETY NOTICE AND RESTRICTIONS

Products are intended for commercial use only. Products are traceable to the OEM manufacturer and Lot/Date Code where available and when requested at the time of Customer order. WDL does not determine the specifications or conduct any performance or safety testing of any products that it sells. Specification sheets provided to Customers are produced by the manufacturer or transcribed from information provided by the manufacturer. WDL is not a supplier of Qualified Product Listing (QPL) components. Customer agrees that all purchases are for commercial or other applications that do not require QPL components. Any reference to military specifications on our website is for reference only and does not modify these terms and conditions. WDL does not participate in any product safety engineering, product safety review or product safety testing. WDL cannot provide any safety testing, safety evaluation or safety engineering services. Products sold by WDL are not designed, intended or authorized for use in life support, life sustaining, human implantable, nuclear facilities, flight control systems, or other applications in which the failure of such Products could result in personal injury, loss of life or catastrophic property damage. This includes, but is not limited to, Class III medical devices as defined by the US Food and Drug Administration (FDA) and Federal Aviation Administration (FAA) or other airworthiness applications. If Customer uses or sells the Products for use in any such applications: (1) Customer acknowledges that such use or sale is at Customer's sole risk; (2) Customer agrees that WDL and the manufacturer of the Products are not liable, in whole or in part, for any claim or damage arising from such use; and (3) **CUSTOMER AGREES TO** INDEMNIFY, DEFEND AND HOLD WDL AND THE MANUFACTURER OF THE PRODUCTS HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, COSTS, EXPENSES AND LIABILITIES ARISING OUT OF OR IN **CONNECTION WITH SUCH USE OR SALE.**

STATEMENTS AND ADVICE

If statements, opinions, or advice, technical or otherwise, are offered, or given to a Customer, such statements, opinions, or advice will be deemed to be given as an accommodation to Customer and without charge. WDL shall have no responsibility or liability for the content, or use of such statements or advice. WDL Technical support is provided by telephone and, therefore, extremely limited in scope which prevents us from the direct participation in the design of any Customer products. We do not conduct product suitability studies or engineering reviews of products that we sell, nor for the final product that a Customer produces.

NON-CANCELABLE/NON-RETURNABLE PRODUCTS

From time to time, WDL will notify Customer of a product that is "NC/NR", (Non-Cancelable/Non-Returnable) upon determining that an order requires such conditions of sale. Customer understands that "NC/NR" products are obtained by WDL from the manufacturer specifically for the Customer. Irrespective of circumstances, the Customer agrees that "NC/NR" products may not be cancelled, returned or rescheduled by the Customer without the agreement of both WDL's supplier and the written consent of WDL. Any QML product purchased from WDL is Non-Cancelable/Non-Returnable. Products labeled as moisture sensitive or Electro-Static Sensitive (ESD) are NC/NR if the packaging has been opened. All products purchased by Customers classified by WDL as Electronic Component Distributors or Brokers shall be deemed Non-Cancellable/Non-Returnable.

INTELLECTUAL PROPERTY

If an order includes software or other intellectual property, such software or other intellectual property is provided by WDL to Customer subject to the copyright and user license, the terms and conditions of which are set forth in the license agreement accompanying such software or other intellectual property. Nothing herein shall be construed to grant any rights or license to use any software or other intellectual property in any manner or for any purpose not expressly permitted by such license agreement. Unopened software may be returned, at WDL's discretion, for credit. Opened software may not be returned unless defective.

FORCE MAJEURE

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

EXPORT CONTROL POLICY

WDL is committed to compliance with all U.S., EU member state, UK and selected foreign export, import, customs and economic sanctions laws, regulations, rules and orders (collectively, "Trade Control Laws") to which products purchased from WDL apply.

WDL will not sell or ship to embargoed countries or individuals and entities who are restricted by a) the <u>U.S. Treasury Office of Foreign Asset Control ("OFAC")</u> list of Specially Designated Nationals, including entities that are owned 50% or more by such individuals or entities; b) the <u>U.S. Commerce Department's Bureau of Industry and Security ("BIS")</u> Denied Persons List, Entity List, Unverified List, and Military End User list, or for military end use in China, Russia, Venezuela, Burma and Cambodia; and c) Department of State's AECA Debarred List, among others. WDL will not export Products prohibited by the Export Administration Regulations ("EAR").

WDL's policy prohibits exports of any product that requires an export license pursuant to the EAR or Department of State's International Traffic in Arms Regulations ("ITAR"). WDL participates in BIS Export Enforcement and OFAC transaction reporting. WDL immediately report suspicious purchases to the proper authorities for investigation.

In light of the numerous sanctions imposed upon Russia and Belarus by governments and organizations around the world, WDL will not ship any Products to Russia, the Donetsk and Luhansk regions of Ukraine, and Belarus.

Resale/Transfer/Re-Export of Products

Customer understands and acknowledges that all Products purchased from WDL are subject to Trade Control Laws and shall only be resold, transferred, re-exported, or dispositioned in in any other way, in strict compliance with these laws.

Customer acknowledges Products purchased from WDL may not be brokered transshipped, resold, transferred, re-exported, or dispositioned in any other way to any company, entity, or person identified by BIS: <u>BIS Parties of Concern</u> and to countries, individuals or organizations identified by OFAC: <u>Specially-Designated-Nationals-and-Blocked-Persons-list</u>; and, <u>Sanctions-programs-and-country-information</u> including sanctions imposed on Iran, North Korea, Cuba, Syria, Venezuela, Sudan, Russia, the Crimea, Donetsk and Luhansk regions of Ukraine, and Belarus, among others.

Customer acknowledges that, before exporting or re-exporting, any Product, the Customer is responsible for determining if the Product is controlled, prohibited or restricted for export or import and to obtain any license to export, re-export, or import as may be required by Trade Control Laws.

Export Classification Disclaimer

Any use made of WDL classifications, whether it be ECCNs or any variation of Harmonized Tariff codes, is without recourse to WDL and at the user's risk. Export classifications are subject to change. If you export or re-export, your company, as the exporter of record, is responsible for determining the correct classification of any item at the time of export. Any export classification by WDL is for WDL's use only and shall not be construed as a representation, or warranty regarding the proper export classification nor relied upon to make licensing determinations.

GENERAL

The Terms and Conditions may not be modified or cancelled without WDL's written agreement. Accordingly, goods furnished and services rendered by WDL are sold only on the terms and conditions stated herein. The sale of Products hereunder will be governed by these Terms and Conditions, notwithstanding contrary or additional terms and conditions in any 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 WDL. 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 WDL, and all different or additional terms and conditions contained in any Customer Documents are hereby objected to by WDL. WDL's performance of any contract is expressly made conditional on Customer's agreement to WDL's Terms and Conditions of Sale, unless otherwise specifically agreed upon in writing by WDL. 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 WDL. 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 iurisdiction 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 state of North Carolina and the applicable laws of the United States.