

# North Star Sensors, LLC

## International Terms and Conditions of Sale

These Terms and Conditions of Sale ("Terms") govern the sale of products by North Star Sensors LLC ("Seller") to the buyer ("Buyer").

### 1. Warranties

**Limited Warranty:** Seller warrants that its products shall be free from defects in materials and workmanship for a period of six (6) months from the date of shipment. A "defect" means a material deviation from the product's specifications or a failure to perform as intended under normal use and conditions.

**Buyer's Responsibility for Suitability:** Due to the wide variety of potential applications for Seller's products, Buyer is solely responsible for the process of evaluating the products and determining their suitability for Buyer's intended use. Seller makes no representation or warranty, express or implied, that its products are fit for any particular purpose not expressly stated in Seller's specifications. Buyer assumes all risks and liability associated with the selection, use, and application of Seller's products.

**Buyer's Remedy:** If a product is found to be defective within the warranty period, Seller shall, at its sole option, repair, replace, or credit Buyer for the purchase price of the product. The choice of remedy is at Seller's sole discretion.

**Disclaimer of Implied Warranties: EXCEPT AS EXPRESSLY STATED ABOVE, SELLER DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.**

**No Unauthorized Repairs:** Buyer is not authorized to attempt to repair, modify, or alter the product without prior written consent from Seller. Any unauthorized attempt to repair, modify, or alter the product shall void the warranty.

### 2. Terms of Payment

**Payment Terms:** Upon credit approval, the terms of payment for each order shall be net thirty (30) days from the date of invoice, unless otherwise agreed in writing.

**Currency:** Payments shall be made in U.S. dollars. Payment may be made by check, ACH transfer, credit card or wire transfer. Buyer is responsible for all bank charges associated with the transfer of funds or credit card fees.

**Late Payment Fees:** Buyer agrees to pay Seller the sum of 1.5% of the delinquent balance or \$5.00 whichever is the greater, for each month or portion thereof by which the invoice amount is delinquent.

### 3. Order Cancellation

**Standard Orders:** In the event Buyer chooses to cancel its order, Buyer understands that it shall be charged for all products shipped and shall be charged at the advertised and higher, smaller quantity price.

**Custom Orders:** Orders for custom products are non-cancellable once production has begun. Buyer understands and agrees that it shall be charged for all finished custom goods, work in process on custom goods, and all raw materials purchased for the production of custom goods.

**Seller Cancellation:** Seller reserves the right to refuse or cancel any order at any time for reasons including, but not limited to, credit concerns, product availability, or pricing errors. In the event of such cancellation by Seller, Seller's sole obligation will be to refund any advanced payments for unshipped product or future services made by Buyer for the cancelled order.

**In Event of Cancellation:** Any buyer-provided materials and/or equipment will be returned to Buyer. Returned materials will be shipped at Buyer's expense.

**Exceptions:** Cancellation of custom orders may be permitted under certain circumstances, such as significant delays or material changes in specifications, subject to mutual agreement between Buyer and Seller.

**4. Returns:**

- (a) Generally, no returns are allowed. However, Seller may, at its sole discretion, authorize a return of product.
- (b) To request a return, Buyer must obtain a written Returned Materials Authorization (RMA) from Seller prior to shipping any product back. The RMA request must specify the quantity, product identification, and detailed reason for the return.
- (c) If a return is authorized, Seller will issue an RMA code, which must accompany the return shipment. Buyer is responsible for all costs associated with returning the product, including shipping and insurance, unless the return is due to Seller's error.
- (d) Returned products must be in their original packaging and in resalable condition. Seller reserves the right to reject returns that do not meet these requirements.
- (e) Seller may charge a restocking fee for authorized returns, at Seller's sole discretion.

**5. Deliveries and Delays:** Delivery shall be EXW (Ex Works) Seller's facility, 2168 Avenida de La Paza, Suite 107, Oceanside, CA, USA. Incoterms 2020 shall apply. Seller will endeavor to meet requested shipment and delivery dates, but Seller shall not be liable for delays in shipment or delivery due to causes beyond its reasonable control. Seller shall not be liable to buyer or any third party for indirect or consequential damages due to delays in shipment or delivery of goods. All claims for loss or damage during shipping must be filed by Buyer directly with the carrier. Seller will provide reasonable assistance to Buyer in filing such claims. Seller does not warrant or guarantee delivery.

**6. Force Majeure:** Seller shall not be liable for any delay or failure to perform its obligations under this Agreement to the extent such delay or failure is caused by events or circumstances beyond its

reasonable control. Such events or circumstances may include, but are not limited to, delays or restrictions due to customs or border issues, currency restrictions or exchange controls, acts of God, natural disasters, pandemics, epidemics, quarantine restrictions, fire, flood, earthquake, explosion, war, terrorism, civil unrest, labor disputes (including strikes, lockouts, and work stoppages), governmental regulations, laws, orders, or restrictions, shortages of materials or energy, transportation disruptions, and delays in delivery by Seller's suppliers.

In the event of a force majeure, Seller shall promptly notify Buyer of the nature and expected duration of the event and shall use commercially reasonable efforts to mitigate the effects of the force majeure and resume performance.

**7. Inspection of Goods:** Buyer must inspect the goods upon receipt and notify Seller in writing of any claims for defects or non-conformity within ten (10) days of receipt of shipment. Buyer agrees to provide Seller with a reasonable opportunity to investigate and inspect such claims. Unless otherwise agreed in writing, all inspections conducted by Buyer are at Buyer's cost and expense. If Buyer fails to provide Seller with written notice of any defects or non-conformity within ten (10) days of receipt, the goods will be deemed accepted in all respects, except as to latent defects not reasonably discoverable within such initial inspection.

**8. Disclaimer of Warranties: EXCEPT AS EXPRESSLY PROVIDED IN SECTION 1, SELLER MAKES NO OTHER WARRANTIES, EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, AND DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT. SELLER DOES NOT WARRANT THAT THE PRODUCTS WILL MEET BUYER'S REQUIREMENTS.**

**9. Limitations and Liabilities:**

**(a) BUYER'S EXCLUSIVE REMEDY FOR ANY CLAIM ARISING OUT OF OR RELATING TO THIS**

**AGREEMENT OR THE PRODUCTS IS LIMITED TO, AT SELLER'S OPTION, REPAIR, REPLACEMENT, OR CREDIT AS PROVIDED IN THE LIMITED WARRANTY IN SECTION 1.**

**(b) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, SELLER SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE PRODUCTS, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

**(c) IN NO EVENT SHALL SELLER'S TOTAL LIABILITY FOR ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE PRODUCTS EXCEED THE PURCHASE PRICE OF THE PRODUCTS GIVING RISE TO THE CLAIM.**

**10. Arms-Length Transaction:** The parties acknowledge that this Agreement is the result of an arms-length transaction. Each party has had the opportunity to consult with independent legal counsel prior to entering into this Agreement. Buyer's acceptance of the goods or services confirms this.

**11. Attorneys' Fees:** In the event of any legal proceeding arising out of or relating to this Agreement, including, but not limited to, insolvency, bankruptcy, arbitration, declaratory relief, or other litigation, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable attorneys' fees and costs incurred in connection with the proceeding. Such costs may include, but are not limited to, service of process, filing fees, court and court reporter costs, investigative costs, expert witness fees, the cost of any bonds, and any other expenses reasonably incurred in connection with the legal proceeding, whether taxable or not. The "prevailing party" shall be the party determined by the court or arbitrator to have obtained the most

favorable outcome on the substantive issues in the proceeding.

**12. Arbitration:** Any dispute arising out of or relating to this Agreement shall be resolved by binding arbitration. The parties shall mutually agree upon a recognized arbitration provider. If the parties are unable to agree, the arbitration shall be conducted by the American Arbitration Association (AAA) in accordance with its then-current Commercial Arbitration Rules. The place of arbitration shall be in San Diego County, California, unless the parties agree otherwise. The arbitrator shall have the authority to grant any legal or equitable remedy, including the allocation of arbitration costs and fees, that would be available in a court of competent jurisdiction.

**13. Confidentiality:** Buyer shall keep confidential any and all non-public information provided by Seller, including but not limited to pricing, technical data, and business information. Buyer shall not disclose such information to any third party without Seller's prior written consent for a period of five [5] years after the termination of any order. The signing of a mutual NDA agreement will supersede Section 13 of this agreement, but solely this section, all other provisions remain in force.

**14. Prices and Extras:** Prices for the products are subject to change. Seller will provide reasonable notice to Buyer of any price changes whenever practicable. Prices confirmed at the time of order acceptance by Seller are firm. Freight or transportation rates, if Seller has agreed to prepay and bill freight or transportation costs, are subject to change. Unless otherwise agreed in writing, shipping costs will be charged from the original point of manufacture.

**15. Seller's Remedies:**

**(a) Events of Default:** Buyer shall be in default under this Agreement upon the occurrence of any of the following events:

**(i)** Buyer fails to make any payment when due;

- (ii) Buyer fails to provide Seller with reasonable shipping instructions as requested;
- (iii) Buyer wrongfully rejects delivery of the goods;
- (iv) Buyer becomes insolvent, files or has filed against it a petition for bankruptcy, makes an assignment for the benefit of creditors, or has a receiver or trustee appointed for it or its assets; or
- (v) Buyer breaches any other material provision of this Agreement and fails to cure such breach within thirty (30) days after written notice from Seller.

(b) **Seller's Remedies Upon Default:** Upon Buyer's default, Seller shall notify the Buyer and shall have, in addition to all other remedies available at law or equity, the right to exercise one or more of the following remedies at its option:

- (i) Declare all outstanding payments immediately due and payable;
- (ii) Suspend performance or cancel any unfulfilled orders;
- (iii) Repossess the goods for which Buyer has not paid;
- (iv) Reduce the quantity of undelivered goods under this Agreement;
- (v) Seek damages for breach of contract, including incidental and consequential damages; and/or
- (vi) Exercise any other right or remedy available to Seller under applicable law.

(c) **Security Interest:** Seller retains a security interest in all goods sold to Buyer until Buyer has paid all sums due to Seller under this Agreement. Buyer agrees to execute any documents necessary to perfect Seller's security interest.

**16. Taxes, Tariffs, and Other Charges:** Buyer is responsible for and agrees to pay all applicable

excise taxes, levies, tariffs, and other taxes or charges that Seller is required to pay or collect under any existing or future law or regulation, whether domestic or foreign, relating to the sale, purchase, delivery, storage, processing, use, consumption, or transportation of the goods.

**17. Seller's Determination:** Seller may, at any time or times, suspend performance of any order or require payment in cash, security, or other adequate assurance to Seller when, in Seller's opinion, the financial condition of Buyer or other grounds for concern warrant such action.

**18. Indemnification:** Buyer hereby indemnifies Seller against any liability whatsoever for patent, trademark, or trade name infringement in any way arising out of the preparation or manufacture of any material in accordance with Buyer's specifications and/or design.

**19. Entire Agreement:** This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous communications, representations, or agreements, whether oral or written.

**20. Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any legal action or proceeding arising out of or relating to this Agreement shall be brought exclusively in the state or federal courts located in San Diego County, California, and the parties hereby consent to the jurisdiction of such courts.

**21. Severability:** In the event any term, covenant, condition, provision, or agreement herein contained is held to be invalid, void, or otherwise unenforceable by any court of competent jurisdiction, the fact that such term, covenant, condition, provision, or agreement is invalid, void, or otherwise unenforceable shall in no way affect the validity or enforceability of any other term, covenant, condition, provision, or agreement herein contained.

**22. Export Control Compliance:**

- (a) Buyer acknowledges that the goods and data provided by Seller may be subject

to U.S. export control laws and regulations, including the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120-130, and the Export Administration Regulations (EAR), which govern the Commerce Control List (CCL). Buyer is solely responsible for all import clearances, duties, taxes, and compliance with all import laws and regulations of the Buyer's country. Buyer is responsible for obtaining any necessary import licenses and permits.

(b) Buyer shall comply with all applicable export control laws and regulations and shall not use the goods or data to manufacture or export any defense articles or items on the CCL without obtaining the required licenses or authorizations from the relevant U.S. government agencies.

(c) Buyer shall not transfer or re-export any goods or data received from Seller to any prohibited or restricted country or end-user, as defined by U.S. export control laws and regulations.

(d) Buyer shall indemnify and hold Seller harmless from any and all claims, losses, damages, liabilities, costs, and expenses (including attorneys' fees) arising out of or relating to Buyer's violation of any export control laws or regulations.

(e) Any exception to the restrictions in this Section requires Seller's prior written consent and Buyer's demonstration of full compliance with all applicable U.S. export control laws and regulations, including obtaining any necessary licenses or authorization.

**23. Modification:** This Agreement may only be amended, modified, or waived by a written instrument signed by both parties. No modification, amendment, or waiver of any provision of this Agreement shall be effective unless in writing and signed by both parties. This clause itself may only be amended by a written instrument signed by both parties.

**24. Integration:** These Terms constitute the entire agreement between Seller and Buyer with respect to the products and supersede all prior or contemporaneous communications and proposals, whether oral or written, between Seller and Buyer. Buyer's placement of an order constitutes an unconditional acceptance of these Terms and Conditions of Sale. Any modification of these Terms and Conditions must be signed by an authorized representative of each party.

**25. Rejection of Buyer's Terms:** Seller hereby expressly rejects any terms and conditions proposed by Buyer in any purchase order, acknowledgment, or other document, which are inconsistent with or in addition to these Terms. Buyer's acceptance of the products constitutes Buyer's assent to these Terms, notwithstanding any inconsistent or additional terms contained in any purchase order or other document submitted by Buyer.