

CEOTRONICS INC

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TERMS AND CONDITIONS OF SALE**1. Acceptance of Terms and Conditions; Purchase Order and other Documents.**

CEOTRONICS offers Products for sale in its written Quotation. Customer shall then place an Order based upon the Quotation. CEOTRONICS will accept the Order by sending a written Confirmation to Customer. If any terms of purchase between the Order and the Confirmation differ, the terms of the Confirmation shall control. The Quotation, the Order and the Confirmation, are collectively called the "Purchase Order." The quantities, prices, specifications, and other terms specific to the purchase of Products shall be set out in the Purchase Order. Customer's purchase is governed by the Purchase Order, these Terms and Conditions of Sale, the "Guarantee Conditions of CEOTRONICS AG" (which is the product warranty of CEOTRONICS and referred to herein as the "CEOTRONICS Warranty") and the Product Manual, all of which Customer warrants that it has read, understands, and to which Customer knowingly agrees. All of the foregoing documents are to be read together and not independently with respect to Customer's Order. In the event of a conflict or inconsistency between or among the foregoing documents, they shall be interpreted by giving priority to the documents in the order listed.

2. General Offer & Applicable Law

Products and services ("Products") furnished by CEOTRONICS, Inc. ("CEOTRONICS") are sold to you ("Customer") only on the terms and conditions stated herein and in the Purchase Order. Notwithstanding any terms or conditions on Customer's orders, CEOTRONICS's performance of any contract is expressly made conditional on Customer's agreement to these Terms and Conditions of Sale. All contracts for the sale of Products shall be construed under and governed by the laws of the Commonwealth of Virginia and, to the extent applicable, the federal laws of the United States. Orders shall not be binding on CEOTRONICS until accepted by CEOTRONICS in writing. **ADDITIONAL OR DIFFERENT TERMS, INCLUDING THOSE CONTAINED IN ANY CUSTOMER PURCHASE ORDER, ARE VOID AND INEFFECTIVE AND EXPRESSLY REJECTED BY CEOTRONICS UNLESS CEOTRONICS EXPRESSLY INDICATES OTHERWISE IN ADVANCE IN WRITING. IF CUSTOMER PLACES AN ORDER WITH CEOTRONICS, WHETHER IN WRITING OR ORALLY, THEN THESE TERMS AND CONDITIONS WILL CONTROL.**

3. Prices and Specifications

All published prices and specifications are subject to change without notice. Unless otherwise specified in writing, all Purchase Orders are firm and expire thirty days after the date thereof. Unless otherwise stated, all prices, published or quoted, shall be exclusive of insurance, taxes, duties, and shipping and transportation costs. Estimated ship date will be stated in the Confirmation.

4. Performance

CEOTRONICS shall be excused for delay in delivery and/or may suspend performance of any contract for the sale of product and services without liability to Customer in the event and to the extent of a "force majeure" event which shall include strike, lockout, riot, war, acts of terrorism, fire, flood, explosion, act of God, accident, epidemic, pandemic, or subcontractor or supplier delays or other events beyond CEOTRONICS's control ("Force Majeure Event"). CEOTRONICS shall also be afforded a reasonable extension to any delivery or

performance timelines in addition to the duration of the Force Majeure Event to permit CEOTRONICS to recommence performance of its obligations. CEOTRONICS reserves the right to substitute suitable Products when CEOTRONICS determines in CEOTRONICS's sole discretion that such substitution is necessary and appropriate due to a Force Majeure Event. No order may be terminated or cancelled by Customer without prior written notice and CEOTRONICS's consent, which consent may be withheld in CEOTRONICS's sole discretion. Cancellation must be for good cause and may require the payment of restocking or manufacturing expenses. CEOTRONICS shall be entitled to deliver the Products up to five (5) business days before the agreed upon delivery date without prior notice to Customer.

5. Changes

In the event Customer desires to make changes to an accepted order after the initial Customer order is received from Customer by CEOTRONICS, a change order must be issued in writing. Such change order shall be issued at CEOTRONICS's sole discretion and may require increased costs or prices and may cause a delay in the expected delivery date. A new invoice (change order) shall be issued with a change of delivery time. Parts, Products and materials not listed in the accompanying Purchase Order shall not be included by CEOTRONICS in any revised order except at CEOTRONICS's sole discretion and if accepted shall require a revised and amended Purchase Order.

CEOTRONICS may, at any time, suspend performance of any order or require full payment in cash prior to manufacture or shipment if, in CEOTRONICS's opinion, the financial condition of Customer or other circumstances warrants such action.

6. Termination and Default

This purchase may be terminated by CEOTRONICS, in whole or in part, (1) whenever Customer defaults in its performance of these Terms and Conditions, in any manner, and fails to remedy such default within TEN (10) CALENDAR DAYS after receipt by Customer of a notice specifying the default, or (2) whenever for any reason CEOTRONICS determines that such termination is for its convenience. Any termination shall be effective by emailing, mailing, delivering, or faxing to Customer a Notice of Termination, and Customer shall comply with all requirements set forth in such notice. If as a result of a default by Customer, CEOTRONICS incurs damages, or becomes obligated to pay damages to any party or shall otherwise incur any additional expenses, including costs of delay, disruption or acceleration, Customer agrees to pay to CEOTRONICS as actual damages, and not as a penalty, all damages (including liquidated damages) or expenses (including attorneys' fees) so incurred by CEOTRONICS and overhead of fifteen percent (15%) of the total of all these costs plus interest at twelve percent (12%) per annum. If CEOTRONICS effects a termination on the basis of a default by Customer, and it is thereafter determined that Customer was not in default, such termination shall then be deemed to have been effected for the convenience of CEOTRONICS. If this purchase is terminated for convenience, Customer shall only be entitled to receive a refund of any sums previous paid with respect to the terminated order, less any damages or expenses incurred by CEOTRONICS as described herein.

7. Waiver of Liability; Assumption of Risk

Customer shall be solely responsible for the appropriate use of CEOTRONICS's Products. Customer acknowledges that it has received, read, and understands CEOTRONICS's operating and maintenance manuals and any other operating or safety instructions provided with respect to the Products (the "Product Manuals") and understands that by accepting the Products sold by CEOTRONICS, Customer assumes all risk in use and operation. Customer shall use all best available techniques and efforts to safely operate the Products in a proper environment with properly trained personnel.

8. Limited Warranty & Liability for Product Sales

CEOTRONICS's Products, including original Products and accessories and spare parts purchased after the original Products, are governed by the CEOTRONICS Warranty. This program warrants the Products to be free from defects in workmanship including functionality, material, or production defects. This warranty is effective only if the Customer strictly complies with the terms of the CEOTRONICS Warranty, which are published at <https://ceotronics.com/en/warranty-conditions/>. CEOTRONICS is not responsible for repair/replacement and shipping of items not covered by warranty. Consult the CEOTRONICS Warranty for more information. Upon its proper return to CEOTRONICS, CEOTRONICS shall repair or replace, at CEOTRONICS's option, the defective part. This warranty applies only if (a) CEOTRONICS's instructions as to installation, operation and maintenance have been completely followed; (b) the Products have been used solely under normal operating conditions or procedures; (c) the Products have been properly installed, operated and maintained and have not been affected by misuse, neglect or accident; (d) Customer has not attempted or performed (or caused to be attempted or performed) any type of repair or corrective work or modification; and (e) CEOTRONICS shall have received notice of any defect no later than thirty (30) days after Customer first has knowledge of same. CEOTRONICS reserves the right void any warranty for any product that has been modified, altered, or repaired, by anyone other than an authorized CEOTRONICS repair technician.

THIS WARRANTY IS EXPRESSLY IN LIEU OF, AND EXCLUDES ALL OTHER EXPRESS, IMPLIED OR STATUTORY WARRANTIES INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE, USE OR APPLICATION, USAGE OF TRADE, AND ALL OTHER OBLIGATIONS OR LIABILITIES ON CEOTRONICS'S PART.

The remedy of repair or replacement, as provided herein, shall be the Customer's sole and exclusive remedy and shall satisfy all CEOTRONICS's liabilities whether based upon contract, negligence, or otherwise.

Components of Products not produced by CEOTRONICS are warranted only to the extent that (a) the applicable manufacturer warrants such components and (b) the manufacturer's warranty, if any, can be assigned to Customer.

9. Limitation of Liability

CEOTRONICS'S LIABILITY, WHETHER IN CONTRACT, IN TORT, UNDER WARRANTY, IN NEGLIGENCE, OR UNDER ANY OTHER THEORY OF LIABILITY, SHALL NOT EXCEED THE PURCHASE PRICE PAID BY CUSTOMER FOR THE PRODUCTS, AND UNDER NO CIRCUMSTANCES SHALL CEOTRONICS BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES INCLUDING COSTS OF SHIPMENT, PERSONAL INJURY, DOWNTIME, LOST PROFITS, LOSS OF GOODWILL, OR LOST SALES EVEN IF CEOTRONICS HAS BEEN ADVISED OF THE POSSIBILITY OF SAID DAMAGES. THE LIMITED WARRANTIES PROVIDED HEREIN ARE CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES. CEOTRONICS AND CUSTOMER EXPRESSLY AGREE TO THIS ALLOCATION OF RISK AND THE PRICE STATED FOR THE GOODS IS A BARGAINED FOR CONSIDERATION IN LIMITING CEOTRONICS'S LIABILITY.

10. Indemnification and Insurance

Customer agrees that, to the fullest extent permitted by law: (A) Customer shall indemnify, defend, and hold harmless CEOTRONICS, its affiliated entities, and their respective owners, managers, directors, officers, agents, employees, and agents (collectively with CEOTRONICS, "Indemnitees") from and against any and all claims, losses, suits, damages, liabilities, fines, penalties, and costs (including but not limited to reasonable attorneys' fees) (collectively "Claims") incurred by or asserted against CEOTRONICS and/or any other Indemnitees which in any way arise out of or are related to (1) any inaccuracy of information or violation of any certification provided by Customer, (2) Customer's failure to comply with these Terms and Conditions or the documents referenced herein, or (3) any death, personal injury, disease, sickness, or damage or loss to property occasioned

wholly or in part by any act or omission of Customer or its customers, agents, employees, subcontractors, or suppliers, arising out of or related to the purchase or use of CEOTRONICS's Products. However, in no case shall the Customer be required to indemnify an Indemnitee for any Claim to the extent caused by the negligence or intentional misconduct of the Indemnitee seeking to invoke this paragraph. (B) Customer shall reimburse CEOTRONICS for all legal and other expenses reasonably incurred in connection with investigating or defending any claim, notice, order, loss, suit, damage, liability or resulting action, including reasonable attorneys' fees. (C) Customer shall carry, at its sole expense, insurance in accordance with industry custom and practice and any coverage required by law or regulation. A portion of the price is in consideration of the indemnity provisions in this paragraph. (D) Customer shall have a duty to defend CEOTRONICS and/or the other Indemnitees from and against any Claim for which Customer is or may be required to indemnify under this paragraph, including but not limited to the Indemnitee's employee lost wages, litigation costs, arbitration costs, attorneys' fees, expert witness and consultant fees and expenses and other related expenses. Customer's duty to defend CEOTRONICS and the other Indemnitees shall arise at the time CEOTRONICS first receives such a claim, notice, demand, or suit, or incurs other damage. The indemnity provisions of this Paragraph survive the sale of the product or termination of the Customer's order, as the case may be.

11. Compliance with Product Manuals, Instructions and Good Safety Practices; Compliance with Laws

Customer acknowledges and agrees that it shall be responsible for ensuring compliance by its personnel and others given access to any Products in Customer's possession or control with all Product Manuals and any other operating or safety instructions provided by CEOTRONICS or any of CEOTRONICS's distributors. Customer shall comply with all other normal and usual safety, operation and maintenance practices commonly observed in the industry. Compliance with local, state, and federal laws, codes, directives or regulations relating to the Products and their use is the sole responsibility of Customer, and CEOTRONICS makes no warranty or representation with respect thereto.

12. Terms of Payment

All payments shall be made in United States Dollars and all sums must be paid in readily available funds according to the terms stated in the Purchase. Failure to comply with these terms may affect delivery dates. Customer will be invoiced with a reasonable response date. Failure to promptly pay as invoiced may result in the forfeiture by Customer of Customer's position in CEOTRONICS's shipping queue. If Customer does not fully pay for ordered Products at or before the payment due date, CEOTRONICS reserves the right to ship to the next Customer in line. There is a 20% cancellation fee on all orders. CEOTRONICS maintains all rights of a secured party in all Products by reference to applicable Uniform Commercial Code provisions in effect in each state in which the Products are located.

13. Arbitration

All disputes concerning Products sold to Customer that are not otherwise resolved between Customer and CEOTRONICS shall be resolved through mandatory and binding arbitration to be conducted in Virginia Beach, Virginia and in accordance with the Commercial Arbitration Rules and Mediation Procedures of the American Arbitration Association. Any right to access of the courts of any state or the United States is waived in favor of this Arbitration provision. The parties hereby waive any claims or defenses based on venue or forum non conveniens in favor of the selected forum of Virginia stated herein. Any related arbitration award will be final, conclusive and binding upon the parties and any judgment thereon may be entered and enforced in any court of competent jurisdiction. If for any reason this Arbitration agreement is found to be unenforceable or otherwise ineffective, the parties agree that the courts of Virginia Beach, Virginia, or the Federal Courts located in the Eastern District of Virginia shall have exclusive jurisdiction and venue for any proceedings arising out of or related to this transaction.

14. Attorneys' Fees

Should any legal action or arbitration be brought for the enforcement of these terms and conditions, or due to any alleged dispute, breach, default in payment or misrepresentation in connection with any of the provisions herein or otherwise arising out of CEOTRONICS's Products, the non-prevailing party shall pay all reasonable attorney's fees, expert witness fees and other costs and expense as well as arbitration costs and court costs, incurred by the prevailing party in any such action or proceeding and any action to enforce the resulting judgment (including bankruptcy representation) and in any appeal, in addition to such other relief, as may be granted to the prevailing party by the arbitrator or, if applicable, a court. Fees and costs for proving the reasonableness of claimed fees and costs shall likewise be ordered to the substantially prevailing party.

15. Proprietary Information

These Terms and Conditions, as well as any and all information and data received from CEOTRONICS, including, by way of example but not limitation, documents, drawings, publications, specifications, designs, diagrams, schedules, computer programs, and the like in whatever form, as well as tangible objects such as samples, prototypes, and models, received from CEOTRONICS, if any ("Proprietary Information") are confidential and the property of CEOTRONICS and such information will not be transmitted, reproduced, used or disclosed by Customer without the prior written approval of CEOTRONICS. Customer acknowledges and agrees that CEOTRONICS owns all right, title and interest in and to the Proprietary Information and that the Customer acquires no right, title, license (express or implied), or any other interest in Proprietary Information by virtue of this sale or disclosure of the Proprietary Information. All documents or materials, and all other information constituting the Proprietary Information and all reproductions thereof, in whatever form, shall at all times remain the sole property of CEOTRONICS as the case may be.

16. Shipment & Acceptance

All Products shall be shipped according to terms stated in the Purchase Order. If shipping terms are not expressed in a Purchase Order, the Products shall be delivered to Customer Free Carrier (FCA - INCOTERMS 2020) CEOTRONICS's plant in Virginia. Customer shall be responsible for all risk of loss and/or damage commencing upon delivery of the Products to the transportation company (or Customer) at the FCA point. Title to any Products shall pass to Customer when Products are delivered to the transportation company at the FCA point, subject to CEOTRONICS's lien for any portion of the purchase price not yet paid. If there is evidence of shipping damage, even if the damage is concealed, Customer shall be responsible for claiming reimbursement from the transportation company and not CEOTRONICS. The delivery of a product to Customer or its agent at the FCA point shall constitute acceptance of that product by Customer unless notice of defect or nonconformity (but not transit or shipping damage) is received by CEOTRONICS within (10) ten days of receipt of the product at Customer's designated receiving address. CEOTRONICS's obligations with respect to damaged Products are limited to the warranties set forth elsewhere in these Terms and Conditions.

17. Assignments and Subcontracts

Neither these Terms and Conditions of Sale nor any rights hereunder, shall be assignable or otherwise transferable by Customer without the prior written consent of CEOTRONICS. Any such transfer without consent by CEOTRONICS is void. Customer shall not resell any of the Products without the prior written consent of CEOTRONICS. Such written consent shall not in any way diminish the responsibility of Customer to comply with these Terms and Conditions of Sale. Furthermore, Customer shall include these Terms and Conditions of Sale including any applicable government regulations into any subcontract or sub-purchase order.

18. Severability

Any provision of these Terms and Conditions of Sale held to be illegal or unenforceable shall be deemed amended to conform to applicable laws or regulations, or, if it cannot be so amended without materially altering the intention of the parties, it shall be struck and the remainder of this shall continue in full force and effect.

19. Modification

No waiver or any modification of this Agreement shall be effective unless it is in writing signed by the duly authorized representative of each party, and then only to the extent expressly set forth in such writing.

20. Export Control.

Customer understands and acknowledges that CEOTRONICS is subject to regulation by agencies of the United States Government, including, but not limited to, the U.S. Department of Commerce, which prohibit export or diversion of certain Products and technology to certain countries. Any and all obligations of CEOTRONICS to provide the Products, as well as any other technical information or assistance shall be subject in all respects to such United States laws and regulations as shall from time to time govern the license and delivery of technology and Products abroad by persons subject to the jurisdiction of the United States, including the Export Administration Act of 1979, as amended, any successor legislation, and the Export Administration Regulations issued by the Department of Commerce, Bureau of Export Administration ("EAR"); and the International Traffic in Arms Regulations (22 CFR §§ 120-130), including the United States Munitions List (22 CFR § 121.1) ("ITAR"). Customer agrees to cooperate with CEOTRONICS including without limitation, providing required documentation, in order to obtain export licenses or exemptions therefrom. Customer warrants that it will comply with the EAR, ITAR, and other United States laws and regulations governing exports in effect from time to time.

21. Government; Commercial Items

To the extent Customer is a U.S. government entity or if these Terms and conditions of Sale otherwise become subject to the Federal Acquisition Regulations ("FAR"), Customer acknowledges that the Products and services are provided as "commercial items" as those terms are defined in 48 C.F.R. 2.101, and developed exclusively at private expense and are being licensed to the U.S. government subject to restricted rights as described in 48 C.F.R. 2.101, 12.211 and 12.212.

22. Intellectual Property

CEOTRONICS shall retain exclusive ownership of all right, title, and interest in and to all of CEOTRONICS's intellectual property, and CEOTRONICS's sale or provision of Products to Customer does not grant or confer upon Customer or any other person any express or implied license in or to any of CEOTRONICS's intellectual property. Customer represents and warrants to CEOTRONICS that no specifications for Products provided by Customer, if any, infringe upon any United States or foreign patent right, copyright, trademark, or other proprietary right of any third party whatsoever. In the event Customer provides material, specifications, designs, drawings, instructions, or the like, Customer agrees to defend, protect, and hold harmless CEOTRONICS from and against any and all suits at law or in equity, and from all damages, claims, and demands for actual or alleged infringement of the rights of a third party, and to defend any suit or actions and reimburse all attorneys' fees incurred by CEOTRONICS in defense of such suits or actions which may be brought against CEOTRONICS for such alleged infringement because of the manufacture and/or sale of the Products in accordance therewith, or by reason of the incorporation of said Products in a more comprehensive assembly than sold by CEOTRONICS. Customer shall, upon CEOTRONICS's request, assume and pay for the defense of CEOTRONICS against any such allegation, claim, or charge. Customer shall promptly notify CEOTRONICS of any action or proceeding commenced against Customer with respect thereto. CEOTRONICS shall have the right to be represented in such matters by additional counsel of CEOTRONICS's choice, acting at CEOTRONICS's expense. In the event of any such allegation of infringement, CEOTRONICS may also cancel any related contract or purchase orders from Customer without obligation or liability to CEOTRONICS.

23. Product Liability

Customer acknowledges that CEOTRONICS has no control over, and is not responsible for, the manner in which the Products shall be used or otherwise dealt with by Customer. Customer shall indemnify, hold CEOTRONICS harmless from and against, and agrees to assume all responsibility for any and all actions, claims, or demands

arising out of or in any way connected with, any and all sums which CEOTRONICS and/or Customer becomes obligated to pay because of bodily injury or property damage caused by or resulting directly or indirectly from the use or operation of the Products.

24. Survival

The provisions of these Terms and Conditions of Sale that would naturally survive the termination or expiration of these Terms and Conditions of Sale shall survive such termination or expiration and shall continue in full force and effect

SIGNATURE PAGE FOLLOWS

ACCEPTED BY CUSTOMER:

Customer accepts the goods or materials as quoted including all Terms and Conditions of Sale.

CUSTOMER: _____ DATE: _____
(Signature of authorized agent or officer of Customer)

CUSTOMER: _____ DATE: _____
(Signature of authorized agent or officer of Customer)

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