



GENERAL TERMS AND CONDITIONS OF SALE

All orders placed with Intricon are subject to the following terms and conditions as well as any written terms and conditions presented on or accompanying an Intricon quotation or order acknowledgement. In case of conflict between these general terms and conditions and any specific terms set forth in the quotation or acknowledgement, the latter shall govern, except that only an officer of Intricon may modify the warranties or limitation of liability contained herein. Contrary, inconsistent or additional provisions presented by Buyer, whether written, or oral, are specifically objected to and are not to become a part of the terms and conditions of sale unless expressly agreed to in writing by Intricon.

1. Acceptance of Orders. All orders, including orders taken by an Intricon sales representative, are subject to acceptance by Intricon at its general office in Arden Hills, Minnesota, USA. Such acceptance must be made in writing within 15 days of the time the order is received by Intricon, and will be made in the sole discretion of Intricon. After an order is accepted, delivery of products made up or in process may not be deferred or extended by Buyer beyond the delivery date originally projected by Intricon without the written consent of Intricon. Intricon will consider requests for authorization to return products of current design for credit if Buyer prepays return freight plus a reasonable handling charge to cover necessary inspection, reconditioning, repacking, and restocking. No credit will be issued for items failing return inspection unless under warranty.

2. Price. The price established by Intricon is for materials only delivered FOB at Intricon's factory and is based on firm orders to be completed within six months from the date of initial shipment for which Intricon has the option of running piece parts for the entire quantity in advance of shipment requirements. Prices for orders not conforming with these requirements will be subject to re-billing in accordance with the actual quantity of product shipped. Prices are subject to change without notice, and billing will be based on prices in effect at the time of shipment. A quotation price shall remain open for thirty days from its date. Any order, except orders for repair parts, amounting to less than Fifty Dollars (\$50.00) net, shall be billed at Fifty Dollars (\$50.00).

3. Taxes. In addition to the prices quoted or invoiced by Intricon, Buyer shall pay any sales tax, excise tax, use, tariff or import fees, inspection or testing fee, or any other tax, fee, or charge of any nature whatsoever imposed by any governmental authority with respect to the sale, purchase, delivery, storage, processing, or consumption of any of the products or services to be delivered by Intricon to Buyer hereunder.

4. Packing. All articles shall be packaged or packed for domestic shipment in accordance with standard commercial practices for protection in shipment and storage. Intricon reserves the right to impose a reasonable charge for packing and/or packaging to comply with Buyer's specifications or instructions.

5. Shipping. Delivery shall be FOB at Intricon's factory. All shipping, handling, and insurance charges shall be prepaid by Intricon and will be charged to Buyer. Shipments shall be by carrier or other means selected by Intricon. Risk of loss to any products sold hereunder shall pass to Buyer upon delivery to a carrier at Intricon's factory. Shipping dates are estimated in good faith but are not a guarantee of a particular date of delivery and Intricon assumes no liability for failure or delay in shipping goods. Products may be tendered in partial shipments. Intricon shall not be obligated to notify Buyer of the time of shipment of products or date of delivery.

6. Time to Object. If any goods received by Buyer are damaged or are defective. Buyer shall, within 30 days of receipt of the goods, furnish Intricon with a written statement specifying the damage or defect. Buyer shall afford Intricon a reasonable opportunity to inspect the goods and to correct the defect. Any action for breach of this contract must be commenced within one year after the cause of action has accrued or arisen.

7. Terms of Payment. Subject to approval by Intricon's Credit Department, terms of payment shall be payment due in full 30 days from the invoice date unless otherwise approved by Intricon. Intricon may assess a late payment charge on past due accounts at the maximum rate permitted in the state of the Buyer. Buyer shall be liable for all costs of collection, including reasonable attorney fees and court costs.

8. Testing and Inspection. Intricon will test and inspect all goods prior to shipment in accordance with its normal practice. All goods shall be subject to deviations from tolerances and variations consistent with reasonable testing and inspection methods. Intricon may add an additional charge for other tests or inspections requested by Buyer.

9. Warranties. Products of Intricon are warranted to be free from all defects in material and workmanship and are made in accordance with specifications set out in design materials supplied by Buyer. EXCEPT FOR THE WARRANTIES EXPRESSLY STATED HEREIN, INTRICON MAKES NO WARRANTY, EXPRESSED OR IMPLIED; AND ANY IMPLIED WARRANTY OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IS HEREBY DISCLAIMED BY INTRICON AND EXCLUDED FROM ANY AGREEMENT MADE BY ACCEPTANCE OF THIS OFFER. Only an officer of Intricon may extend any other warranties to Buyer and such warranties must be expressly set out in writing.

Warranties made by Intricon shall be enforceable only for **ninety (90) days** following shipment of the product to Buyer and shall only be enforceable by Buyer. As a condition to enforcement of warranty, Buyer must comply with the conditions of paragraph 5 of these terms and conditions concerning time and method to object and providing Intricon with an opportunity to cure any defect.

10. Limitation of Liability. Buyer's exclusive remedy for breach of contract or warranty as to any products, and Intricon's only liability for such breach, shall be replacement or repair of such parts or refund of the purchase price for such goods, the choice of remedy being at the election of Intricon. The limitation of liability includes an exclusion of any incidental and consequential damages. Intricon does not assume any liability for incidental or consequential damages arising from the use of products manufactured or shipped by Intricon.

11. Cancellation/Changes. This contract may be cancelled or modified only by written agreement between Buyer and Intricon, it being recognized that Intricon reserves the right to reject any change requested by Buyer or may require an equitable adjustment to the price and other terms of sale if Buyer and Intricon agree to any requested change with respect to (i) drawings, designs, or specifications, (ii) method of shipment or packing, or (iii) place or time of delivery. Buyer's insistence upon cancellation or suspending production or shipment, or Buyer's failure to furnish specifications or payments when due may be treated by Intricon as a breach of contract, and Intricon may cancel the balance of contract without prejudice to any other remedies available to it, if Buyer is past due on payments due Intricon or if Intricon reasonably believes that Buyer is unable to

perform its obligations under this contract, Intricon may accelerate payment of all sums due it from Buyer, may demand adequate assurance of performance, and take other actions available to it. If Buyer does not comply with a demand made by Intricon, Intricon may suspend performance, consider the contract repudiated by Buyer, or take any other action necessary to protect its interest under the contract. Without limitation of Intricon's other remedies, Buyer shall be liable for the cost of all work performed, materials procured, and other expenses, including design and overhead costs, incurred by Intricon in accordance with this contract.

Purchase Order cancellations are subject to approval by a member of the Intricon Executive Leadership team and will be subject to no less than a 25% cancellation fee of the Purchase Order value in addition to the above costs.

12. Compliance With Federal Law. Upon written request of Buyer made at the time of this order, Intricon shall certify that products sold hereunder shall be produced in compliance with the Fair Labor Standards Act of 1938, as amended (29 U.S. 201-219) and the Equal Opportunity Clause adopted under procedure authorized in Executive Order 11246 on September 24, 1965, and related rules, regulations, and orders thereunder.

13. Ultimate Destination. Products sold under these terms and conditions are intended for sale and use only within the United States of America and its possessions. Intricon accepts no responsibility in connection with reshipment neither in export trade by Buyer nor in Buyer's obtaining export licenses or governmental permits. It shall be the obligation of Buyer to inform Intricon in a timely manner of the ultimate destination of any purchase intended for or subsequently diverted to export from the United States. Buyer warrants that, by execution of this sales order, in the event of the subsequent reshipment in export trade of any product manufactured or supplied by Intricon, Buyer will indemnify and hold Intricon harmless from any claim, action, or other proceeding or liability in connection therewith for whatever reason, including expenses incurred by Intricon in defending itself against any such claim.

14. Technical Data. Any and all drawings, tooling equipment, procedures, data, engineering changes, and specifications made or supplied by Intricon in the production of any product sold hereunder shall be and remain the property of Intricon. All information supplied by Intricon, including any specifications, drawings, brochures, or other materials supplied herewith and all other information or material, including, but not limited to, all working drawings and manuals, shall remain the property of Intricon, shall be deemed to be trade secrets of Intricon, and shall be treated as confidential information by Buyer. Intricon shall be granted a non-exclusive right to use any designs, drawings, procedures, or other information supplied to Intricon by Buyer. All machinery, tools, or other equipment supplied to Intricon by Buyer shall become the property of Intricon.

15. Patents. Intricon shall indemnify and hold Buyer harmless from any and all expenses or losses resulting from infringement of United States Letters Patent in connection with the purchase, manufacture, or use of Intricon designed products, provided Intricon is promptly notified in writing of any alleged infringement and given the right to modify the products and to make them non-infringing. Buyer shall indemnify and hold Intricon harmless against any expenses or losses from infringement of patents, trademarks, or other industrial or intellectual property rights arising from manufacture by Intricon of products according to Buyer's design, specifications, or instructions.

16. Special Orders. Intricon reserves the right to add additional charges for any products manufactured to Buyer's specifications to compensate Intricon for additional materials, designs, and equipment necessary to process and manufacture such order. Intricon expressly makes no warranty of merchantability or fitness for a particular purpose and warranties only that it will produce products to Buyer's specifications, except that no such warranty is made if Intricon determines that it is not reasonably possible to comply with such specifications and gives Buyer notice thereof. No other warranty, expressed or implied, is made hereby and all other implied warranties are expressly disclaimed. Intricon may make additional charges for any packing and shipping in compliance with Buyer's instructions beyond the normal practice of Intricon.

17. Subcontracting. Intricon reserves the right to subcontract the production or procurement of any products requested by Buyer's order or any portion thereof.

18. Force Majeure. Intricon shall not be liable and Buyer may not cancel this contract for any default or delay attributable to any cause, circumstance, or contingency beyond Intricon's control or the control of its suppliers or manufacturers which prevents or impedes manufacture, supply or delivery by Intricon, provided Intricon acts with due diligence to overcome such delay. Such causes, circumstances, and contingencies shall include, but not limited to: acts of God, governmental acts, decrees or restrictions; accidents; wars, riots or civil commotion; fire; strikes; lockouts; or other labor problems; restraints affecting shipment or credit; and non-arrival or delay of carriers. In the event of any such default or delay, the date of shipment shall be extended correspondingly, and Intricon may make delivery on an equitable basis with reference to all its customers, in accordance with its best judgment of customers' needs. If payment is to be made by letter of credit, and if the letter of credit should expire prior to the date of completion of the products, Buyer shall extend the letter of credit promptly on terms acceptable to Intricon, or shall otherwise assure full and prompt payment in a manner acceptable to Intricon.

19. Entire Agreement. The terms set forth herein, together with any terms presented on or accompanying an Intricon quotation or acknowledgement which are expressly stated to apply to this contract, shall constitute the entire agreement between the parties and there are no other representations, agreements, warranties, conditions, or obligations, expressed or implied, relating to the subject matter of this sale.

20. Waiver Not Continuing. Any waiver by Intricon of the terms and conditions hereof or of any breach by Buyer shall not be deemed to be a waiver of any subsequent failure of strict compliance with the performance of each and every item of this agreement.

21. Governing Law. This contract shall be governed and enforced in accordance with the laws of the State of Minnesota and Buyer agrees to the jurisdiction of the District Court for the State of Minnesota for the judicial district encompassing Minneapolis, Minnesota, for the hearing of any action arising out of this contract.

22. Severability. If any provision of this contract is held to be invalid, illegal, or unenforceable under any applicable law by a court of competent jurisdiction, such provisions shall be deemed to be reserved from this contract without affecting the remaining provisions hereof.