

Standard Terms and Conditions of Sale

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1.0 General

- 1.1 The Standard Terms and Conditions may not be modified or cancelled without written agreement by Miramodus Ltd. The sale of Products and services hereunder shall be governed by the Standard Terms and Conditions, notwithstanding contrary to additional terms and conditions in any purchase order, planning schedule, acknowledgment, confirmation or any other form of document issued by either party effecting the purchase and/or sale of Products.
- 1.2 No rights, duties, agreements or obligations hereunder may be assigned or transferred by either party without the prior written consent of the other. The obligation, rights, terms and conditions hereof shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.
- 1.3 The waiver of any breach of any term, condition or covenant hereof or default under any provision hereof shall 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 of nature.
- 1.4 Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or enforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provisions in any other jurisdiction.
- 1.5 The Standard Terms and Conditions shall be governed by and construed in accordance with the laws of Scotland.

2.0 Quotations and Orders

- 2.1 All quotations are subject to final written acceptance by Miramodus Ltd. (MML) in Edinburgh, Scotland, of Customers purchase order, including any exceptions thereto, before any responsibility for performance shall exist on the part of MML. All purchase orders received by MML not in response to a quotation are subject to written acceptance by MML. All changes from the written quotation of MML must be approved and accepted in writing by MML at its address in Edinburgh, Scotland. Customer is hereby notified in advance of MML's objection to any proposed additional or different terms or conditions.
- 2.2 Unless otherwise set forth in the details of a written quotation or proposal, all quotations are valid for a period of thirty (30) days from the date thereof. Any purchase orders issued by the Customer with respect to a quotation from MML shall be subject to written confirmation of acceptance by MML.
- 2.3 The Customer issuing a purchase order ("Purchase Order") to MML will initiate orders. Purchase Orders will identify the Products, unit quantities, part numbers, descriptions, applicable prices and requested delivery date. Orders are subject to MML acceptance and to these Standard Terms and Conditions.
- 2.4 Customer request to reschedule is subject to acceptance by MML in its sole discretion. Orders may not be canceled or rescheduled after delivery by MML to the carrier.

3.0 Pricing and Taxes

- 3.1 All prices are F.O.B. from their point of origin unless otherwise specified. Federal, state or other taxes are not included in price quotations.
- 3.2 MML reserves the right to correct all typographical or clerical errors which may be present in prices or specifications contained in a quotation.
- 3.3 MML reserves the right in accepting any Purchase Orders to adjust MML's prices at the time of invoicing to reflect price increases from MML's suppliers under the following conditions:
 - (a) Time from issuance of MML's quotation to receipt of the Customer's Purchase Order exceeds thirty (30) days;
 - (b) Time from acceptance of Customer's purchase order to shipment, as mutually agreed upon, exceeds ninety (90) days;
 - (c) Customer's requests changes related to delivery, materials, performance, or specialized equipment which require MML to incur cost in excess of those included in MML's quotation.

4.0 Payment and Terms of Payment

4.1 Payment and Credit

- (a) Upon approval of credit, payment for sale of standard catalog priced items shall be net thirty (30) days after delivery.
- (b) Sales in excess of ten thousand pounds (£10,000) are subject to a special provision for terms of payment as set for in MML's quotation and may include:
 - (1) Full or partial payment at time of acceptance of purchase order;
 - (2) Progress payment(s);
 - (3) Payment prior to shipment;
 - (4) Other terms as defined by Company

4.1 Failure on the part of Customer to make full payment on all sums due to MML as set forth in the MML's quotation and these standard terms and conditions of sale shall constitute a material breach of contract by the Customer.

4.3 MML may, at its sole option, thereafter proceed to exercise any or all of MML's remedies for breach of contract. In addition, MML may charge and collect from Customer a late charge for any overdue balances due MML computed at the rate of two percent (2%) per month for the period of time said balance or any part thereof is overdue. Said late charge shall be added to any overdue balances.

5.0 Cancellation

5.1 Any request by Customer for cancellation in total or in part of any purchase order accepted by MML shall be subjected to the following conditions:

- (a) MML must receive written notice of Request for Cancellation stating the reason therefore.
- (b) Customer shall be liable for payment of the following charges to MML in the event of cancellation:

- (1) All charges incurred (including overhead, G&A and profit) prior to the date that notice of cancellation is received by MML for all parts peculiar to Customer's requirements. Upon payment by Customer of these charges such parts become the property of Customer. MML will store said parts for a reasonable period of time pending receipt of Customer's instructions for disposition. Such storage is at Customer's risk and may be subject to storage charges if stored by MML for longer than thirty (30) days from the cancellation date; plus
- (2) Charges to convert modified standard parts for return to MML's inventory; plus
- (3) A restocking charge of a minimum of twenty percent (20%) but not to exceed total sales value.
- (4) Custom or special orders are non-cancellable.

6.0 Shipment and Delivery

6.1 Receipt of Damaged Goods: it is the responsibility of Customer to immediately file claims for any damages to contents.

- (a) Inspect the contents of the shipment and check the merchandise carefully.
- (b) If any damage is found, contact the carrier and request to file a damage claim. Request for inspection must be made immediately. The delivering carrier will want to know:
 - (1) Name & address of shipper
 - (2) Shipper number (if applicable) and tracking number
 - (3) Contents of shipment and value

- (4) Nature of damage and if available, estimated repair cost.
- (c) Keep the container, all packing material and invoice until damage claim is settled. The package and contents will need to be inspected by the carrier.
- (d) After notifying the carrier, contact MML and request a Return Authorization Number. (See Section 9.0, Return Policy)
- (e) Failure to contact the carrier and file a claim results in Customer liability.

6.2 Title to all items sold passed to Customer upon delivery of purchased items to the carrier for shipment per Customer's instructions. MML is not responsible for loss or damages after delivery to carrier. Title to items supplied on lease or consignment remains with MML, and Customer is responsible for safeguarding same.

6.3 MML shall not be liable for any claims for loss or damaged whatsoever resulting from disturbance, transportation difficulties, inability to obtain materials or services, acts of federal, state, country or local governments, fires, floods, storms, or acts of God.

6.4 MML's delivery estimates represent the best information available at that time and MML will make every effort to meet such dates. Unless there is a specific agreement in writing by MML, MML shall not be liable for any claims of damage by Customer resulting in shipping dates from those quoted.

7.0 Installation

7.1 All equipment shall be installed by and at the expense of Customer unless otherwise specified in writing.

8.0 Warranty and Limitations of Remedies

8.1 MML warrants that all equipment manufactured by it shall be free from defects in materials and workmanship under normal use and service for a period of twelve (12) months from date of shipment from MML's facility. This warranty is subject to MML's equipment being installed, maintained and operated in accordance with the operating and maintenance instructions accompanying each item manufactured by MML. Warranty shall be void if MML's equipment is modified by Customer or used in other than the recommended manner or application. Purchased equipment incorporated into any items supplied by MML will be covered by manufacturer's warranty.

8.2 MML warrants that, at the time of delivery, any other products processed or manufactured and sold by it hereunder are free of defects in material and workmanship and conform to Company's specifications.

8.3 No warranty is provided by MML for products sold hereunder which are not manufactured or processed by MML, but the manufacturer's warranty for such products, if any, shall be assigned to Customer without recourse to MML.

8.4 The foregoing warranties are in lieu of and exclude all other warranties not expressly set forth herein, whether expressed or implied by law or otherwise, including without limitation any warranty of merchantability or fitness for a particular purpose. In no event will MML be liable for consequential damages.

8.5 IN THE EVENT OF MML'S LIABILITY, WHETHER BASED ON CONTRACT, TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, CUSTOMER'S SOLE AND EXCLUSIVE REMEDY WILL BE LIMITED, AT COMPANY'S OPTION, TO REPAIR OR REPLACEMENT (F.O.B. MML'S FACILITY) BY MML OF ANY NONCONFORMING ITEM WHICH CLAIM IS MADE BY THE CUSTOMER OR TO REPAYMENT OF THE PORTION OF THE PURCHASE PRICE PAID BY THE CUSTOMER ATTRIBUTABLE TO THE NONCONFORMING ITEM. MML WILL NOT BE LIABLE FOR ANY OTHER DAMAGES, WHETHER DIRECT OR INCIDENTAL, CONSEQUENTIAL OR OTHERWISE.

9.0 Return Policy

9.1 Any request by Customer for return of standard catalog products other than for warranty claims under Section 8 hereof, for all or any part of purchase order accepted by MML, shall be subject to the following conditions:

- (a) Customer must make notification to MML within thirty (30) days of original shipping date.
- (b) A "RETURN GOODS AUTHORIZATION" number must be assigned to and accompany all goods or materials being returned by Customer to MML. Said number must be assigned by MML prior to any and all returns. Goods not accompanied by a "RETURN GOODS AUTHORIZATION" number will be refused by MML and returned at Customer's expense.
- (c) Customer shall prepay shipping charges for products being returned to MML.
- (d) Products being returned to MML should be properly crated for shipment and Customer shall bear the risk of loss until delivered to MML.
- (e) Products being returned to MML must be returned in the condition originally received by Customer and free from damage, use or modification which would render the product unusable for resale as new equipment by MML.
- (f) All applicable taxes, duties, insurance and shipping charges shall be the sole responsibility of Customer.
- (g) Goods being returned for other than warranty repair shall be subject to a restocking charge of twenty (20%) percent of the original sales price of the returned item.
- (h) Goods that are reasonably believed to have been used for their intended specific short-term purpose may not be returned.

9.2 Return of Equipment for Repair or Servicing

- (a) Before shipping equipment for repair or servicing, obtaining a Return Authorization number assigned by MML.

10.0 Service Calls

10.1 Service calls, other than those required by the specific terms of quotation, shall be made at the expense of Customer.

11.0 Patents and Rights

11.1 The equipment to be provided by MML under its quotation may include items for which a supplier or MML holds patent rights, has patent rights pending, or has a license to manufacture under patent rights held by others. MML shall not be liable for any claim against Customer arising from such patent or license rights.

11.2 The acceptance of a purchase order, submittal or quotation, or supply of products, services or equipment does not constitute an offer nor imply the obligation of MML to make any patents, patent rights, or license to manufacture available to Customer or any third party having a contractual relationship with Customer with respect to any items supplied by MML.

11.3 All drawings, unique techniques and inventions made by MML, its agents or employees in the fulfillment of any contracts shall be and shall remain the sole property of MML.