



2 SQUARE C LLC
www.2squareC.com

+ 1.415.763.9733
tschluep@2squareC.com

GENERAL TERMS & CONDITIONS OF SALE

In the terms and conditions below (these “**Terms**”), 2squareC, LLC shall be referred to as “2squareC,” the company purchasing goods and/or services under any sales order accepted by 2squareC that refers to these Terms (“**Sales Order**”) shall be referred to as “Buyer,” and the goods and/or services described in and provided pursuant to any Sales Order are referred to as “Products” or “Services,” as the case may be.

I. ACKNOWLEDGEMENT AND ACCEPTANCE. By submitting any Sales Order or by otherwise ordering Products or Services to be supplied by 2squareC in reference to these Terms, Buyer agrees to be bound by these Terms. Terms or conditions contained in any purchase order or other form or other document submitted by Buyer which are inconsistent with, or in addition to, these Terms are rejected, objected to by 2squareC and shall be deemed void and of no force or effect.

II. CHANGES. Once submitted, any change(s) to a Sales Order may be made only with advance written approval of 2squareC, and such changes may require different terms, including a change in the price and/or time of delivery. Once submitted, Buyer may not cancel any Sales Order unless cancellation is expressly approved by 2squareC in writing, which approval may be contingent on Buyer’s payment of 2squareC’s costs or other charges, including, but not limited to, restocking fees, storage and shipment costs, costs of producing non-standard materials, costs of purchasing non-returnable materials, cancellation costs imposed on 2squareC by its suppliers, and any other costs resulting from cancellation. A verified bill of costs issued by an officer or other authorized representative of 2squareC shall be conclusive as to the amount of such costs. 2squareC reserves the right to cancel any Sales Order, in whole or in part, upon: (a) Buyer’s breach of these Terms, (b) Buyer’s bankruptcy, insolvency, dissolution, receivership proceedings, or (c) the occurrence of any event leading 2squareC to reasonably question Buyer’s willingness or ability to perform.

III. DELIVERY. All sales will be delivered FCA 2squareC’s shipping point unless otherwise noted. If shipping and handling charges are quoted or invoiced, they will include charges in addition to actual freight costs. Delivery of Products to the carrier at 2squareC’s shipping point shall constitute delivery to Buyer, and Buyer shall bear all risk of loss or damage in transit. Unless stated otherwise on Buyer’s purchase order and confirmed on 2squareC’s Sales Order, declared value shall be stated for all orders during shipment preparation. The general method of shipment for each order is listed on each Sales Order. However, 2squareC reserves the right, in its sole discretion, to determine the exact method of shipment for any particular shipment. 2squareC reserves the right to make delivery

in installments. All such installments are to be separately invoiced and paid for when due per invoice, without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve Buyer of Buyer’s obligations to accept remaining deliveries. Immediately upon Buyer’s receipt of any Products shipped hereunder, Buyer shall inspect the same and shall notify 2squareC in writing of any claims for shortages, defects or damages and shall hold Products for 2squareC’s written instructions concerning disposition. If Buyer fails to so notify 2squareC within sixty (60) days after the Products have been received by Buyer, such Products shall conclusively be deemed to conform to the Terms and any other applicable requirements and to have been irrevocably accepted by the Buyer.

A. Delays. Any specified delivery dates are estimates only and do not represent a promise by 2squareC to deliver Products or Services at a certain date. 2squareC shall not be liable for any loss, damage or penalty as a result of any delay in or failure to manufacture, deliver or otherwise perform hereunder due to any cause beyond 2squareC’s reasonable control, including, without limitation, act(s) of Buyer, any other embargo or other governmental act, regulation or request affecting the conduct of 2squareC’s business, fire, explosion, accident, theft, vandalism, riot, act of war, military conflict, terrorism, civil unrest, strikes or other labor difficulties, lightning, flood, windstorm, other natural catastrophe or act of God, delay in transportation, inability to deliver by 2squareC suppliers, or inability to obtain necessary labor, fuel, materials, supplies or power at current prices (collectively, “**Force Majeure Event**”). If any such event continues for longer than 180 days, either party may terminate an affected Sales Order and Buyer will pay 2squareC for work performed prior to termination and all reasonable expenses incurred by 2squareC as a result of termination. In the event of delays in delivery or performance caused by force majeure or by Buyer, the date of delivery or performance shall be extended by the period of time 2squareC is actually delayed or as mutually agreed. If, for reasons other than the foregoing, 2squareC should default or delay or not deliver Products or Services, Buyer’s sole remedy against 2squareC is an option to cancel the affected Sales Order, through prior written notice to 2squareC.

B. Allocation of Products. If 2squareC is unable for any reason to supply the total demands for Products specified in a Sales Order, 2squareC may allocate its viable supply among any or all customers (including 2squareC’s distributors) on such basis as 2squareC may deem fair and practical, without liability for any failure of performance which may result therefrom.



C. Returns of Conforming Goods. Returns of conforming goods are not accepted without the express authorization of 2squareC. All returns must be accompanied by a Return Material Authorization (RMA) number. In the case that 2squareC issues an RMA number for conforming goods, a restocking fee shall apply. See Section VII.A for 2squareC's policy regarding warranty returns.

IV. PAYMENT. Unless otherwise stated, Buyer shall make payment in full within thirty (30) days of invoice date. 2squareC reserves the right to require an advanced deposit of up to 100% of the purchase price at the time of order or any time prior to delivery as a condition of performance. If for any reason 2squareC, in its sole and unfettered discretion, deems the ultimate collectability of the purchase price to be in doubt, 2squareC may, without notice to Buyer, delay or postpone the delivery of the Products or Services and may, at its option, change the terms of payment to payment in full or in part in advance, with respect to the entire undelivered balance of Products or Services. In the event of default by Buyer in the payment of the purchase price or otherwise, 2squareC, at its option, without prejudice to any other of 2squareC's lawful remedies, may defer delivery, cancel Buyer's order and any other order of Buyer, or sell any undelivered Products on hand for the account of Buyer and apply such proceeds as a credit, without set-off or deduction of any kind, against the agreed upon purchase price, and Buyer agrees to pay the balance then due to 2squareC on demand. Buyer agrees to pay all costs, including, but not limited to, reasonable attorney and accounting fees and other expenses of collection, resulting from any default by Buyer in any of the terms hereof. Invoices remaining unpaid after their due date will be subject to an interest charge of 1.5% per month (or the maximum rate allowed by law). Buyer must pay all costs of collection on unpaid amounts, including (without limitation) attorneys' fees and related costs.

A. Credit Establishment. Buyer must cooperate fully with the credit establishment process by promptly providing bank and trade references at 2squareC's request. 2squareC shall be the sole arbiter of payment terms and credit lines established on Buyer's account. 2squareC reserves the right to make adjustments to Buyer's account during the business relationship based on Buyer's performance.

B. Letter of Credit. Buyer may make payment by Commercial Letter of Credit with 2squareC's approval. The Letter of Credit must instruct full payment of invoice, which will include a 10% processing fee calculated based on the total order amount listed on the Sales Order Acknowledgment. The "total invoice value" includes but is not limited to any sales tax, shipping, insurance, or other processing fees. Instructions in the Letter of Credit must include an explicit order to acknowledge the processing fee. All charges accrued in this process

shall be borne by Buyer. Buyer has the obligation to reimburse any fees or charges paid by 2squareC with respect to any drawings under Letters of Credit.

C. Credit Card Surcharge. Buyer may make payment to 2squareC by credit card. To the extent permitted by applicable law, payments by credit card are subject to a 4.0% surcharge calculated based on the total invoice value of each Sales Order. Payments must be processed before shipment of Products or provision of Services. The "total invoice value" includes but is not limited to any sales tax, shipping, insurance, or other processing fees. 2squareC uses commercially reasonable efforts to protect the security of Buyer's information during payment processing and does not retain any credit card information through third-party service providers or on file.

D. Security Interest. For all Products ordered under any Sales Order, Buyer hereby grants to 2squareC a first priority purchase money security interest in the purchased Products wherever located, and whether now or hereafter existing, and all modifications thereof and all proceeds (including insurance proceeds) of the foregoing, to secure Buyer's payment obligations under the applicable Sales Order. 2squareC may file a financial statement (or equivalent filing) in the applicable jurisdictions to evidence or perfect such security interest. Buyer shall cooperate with 2squareC to execute and file such documentation as may be necessary or advisable to evidence such security interest.

E. No Set-off Rights. Buyer shall not, and acknowledges that it will have no right, under these Terms or any other agreement, document or law, to withhold, offset, recoup or debit any amounts owed (or to become due and owing) to 2squareC, whether under these Terms or otherwise, against any other amount owed (or to become due and owing) to it by 2squareC, whether relating to 2squareC's breach or non-performance of these Terms or any other agreement between Buyer and 2squareC.

V. TAXES AND OTHER CHARGES. 2squareC shall not be responsible for the payment of any use tax, sales tax, excise tax, duty, custom, inspection or testing fee, or any other tax, fee or charge of any nature whatsoever imposed by any governmental authority, on or measured by the transaction between, with the sole exception of any sales taxes invoiced and collected from Buyer by 2squareC. All other such charges (if any) must be paid by Buyer separately and in addition to the prices quoted or invoiced. In the event 2squareC is required to pay any such tax, fee or charge, Buyer shall reimburse 2squareC therefor; or, in lieu of such payment, Buyer shall provide 2squareC at the time the order is submitted an exemption certificate or other document acceptable to the authority imposing the tax, fee or charge.



VI. QUOTATIONS AND PRICING. Any quotation provided by 2squareC is firm only if Buyer places a corresponding order within the time specified on the quote or, if no time period is mentioned, within thirty (30) days.

VII. WARRANTY.

A. Warranty. 2squareC warrants to Buyer that its Products shall, at the time of delivery and for a period of twelve (12) months thereafter, materially conform to the description of such Products as provided to Buyer by 2squareC in the Sales Order acknowledgement. Except as set forth in Section X below, 2squareC warrants to Buyer that it shall perform the Services using personnel of requisite skill, experience, and qualifications and in a workmanlike manner in accordance with prevailing industry standards for similar services. Any claims for breach of the foregoing Products warranty must be made within twelve (12) months of delivery of the applicable Products. Any claims for breach of the foregoing Services warranty must be made within thirty (30) days of delivery of the applicable Services.

B. Disclaimers. THE WARRANTY SET FORTH IN SECTION VII.A ABOVE IS EXCLUSIVE WITH RESPECT TO THE PRODUCTS AND SERVICES, AND 2squareC MAKES NO OTHER WARRANTY, WHETHER EXPRESS, IMPLIED, OR STATUTORY, OR ARISING FROM COURSE OF DEALING, OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, OR NON-INFRINGEMENT OF ANY THIRD-PARTY PATENT OR OTHER INTELLECTUAL PROPERTY RIGHTS. 2squareC HEREBY DISCLAIMS ALL OTHER WARRANTIES AND EQUITABLE INDEMNITIES. BUYER ACKNOWLEDGES THAT IT HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY MADE BY 2squareC, OR ANY OTHER PERSON ON 2squareC'S BEHALF, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT. BUYER ACKNOWLEDGES THAT THE PRODUCTS PURCHASED BY BUYER UNDER THIS AGREEMENT MAY CONTAIN, BE CONTAINED IN, OR MAY BE INCORPORATED INTO, ATTACHED TO, OR PACKAGED TOGETHER WITH, PRODUCTS MANUFACTURED BY A THIRD PARTY ("THIRD-PARTY PRODUCTS"). FOR THE AVOIDANCE OF DOUBT, 2squareC MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO ANY THIRD-PARTY PRODUCTS.

C. Limitations. 2squareC's warranties made in connection with any Sales Order shall not be effective if 2squareC has determined, in its sole discretion, that Buyer has misused the Products or Services in any manner, has failed to use the Products or Services in accordance with industry standards and practices, or has failed to use the Products or Services in

accordance with instructions, if any, furnished by 2squareC. 2squareC's sole and exclusive liability and Buyer's sole and exclusive remedy with respect to Products or Services proved to be defective or nonconforming with the above warranties shall be: (i) with respect to Products: repair or replacement of such Products without additional charge to Buyer, or refund of the purchase price to Buyer, in 2squareC's sole discretion and upon the return of such Products in accordance with 2squareC's instructions listed in Section VII.A; and (ii) with respect to Services: reperformance of the Services without additional charge to Buyer, or a refund of the Service fees to Buyer, in 2squareC's sole discretion.

D. Warranty Returns Policy. 2squareC will not accept or repair any returned Product without a Return Material Authorization (RMA) number. Buyer bears the responsibility to obtain an RMA number by contacting the 2squareC customer service department, which has the sole and exclusive right to determine whether Products are covered under warranty. Products for repair must be delivered to 2squareC freight prepaid within sixty (60) days of RMA number authorization. All items returned to 2squareC are subject to an evaluation fee for the processing and testing required to confirm the nature of the defect, if any. The amount of the evaluation charge will be established when the RMA number is issued. This fee will be waived in all cases where testing confirms a problem covered by warranty. 2squareC warrants that its Products repaired under warranty shall, at the time of delivery, conform to the description of such Products as provided to Buyer by 2squareC through 2squareC's Sales Order acknowledgement or later written agreement between 2squareC and Buyer for another period of ninety (90) days from delivery. This ninety-day warranty applies only to the specific component repaired under warranty and excludes entire subassemblies.

E. Excluded Items. The foregoing warranty does not cover low-value Products or accessories including but not limited to hardware and screws. The warranty period of these types of Products is limited to three (3) months from date of shipment or date of invoice, whichever is earlier. Certain items and quantities may not be returned (whether for credit or otherwise) under any circumstances. These items include, but are not limited to Custom-Designed Products. "Custom-Designed Products" are Products that are designed and manufactured in accordance with Buyer's provided specifications.

F. Out-of-Warranty Repairs. Product repairs that are deemed not to be covered by the foregoing warranty will be considered "Out-of-Warranty" repairs. Out-of-Warranty repairs require a new Sales Order Buyer. Once 2squareC receives a new request for an Out-of-Warranty repair, Buyer will receive an estimate of cost and delivery time for the repair. After receipt of



the estimate, Buyer must issue new purchase order for the Out-of-Warranty repair within sixty (60) days. Otherwise, defective items shall be returned to Buyer at Buyer's expense. 2squareC also reserves the right to apply at its sole and final discretion an estimation fee for Products that are determined to be Out-of-Warranty.

VIII. RESALE, DISTRIBUTION, AND EXPORT PROHIBITED.

As a condition of 2squareC's performance, Buyer will cooperate with all procedures related to export compliance, including but not limited to accurately completing end-user statements, collecting information about ultimate consignees, and performing due diligence regarding customers and their use of 2squareC Products. Buyer warrants to 2squareC that Buyer will use the Products and Services directly or as reported and permitted. Buyer further agrees that Products may not be exported by Buyer for any purpose without written notice to and approval from 2squareC.

IX. INTELLECTUAL PROPERTY. "Intellectual Property" means all inventions (whether or not patentable), works of authorship, trade secrets, trademarks, slogans, trade names, logos, know-how, business records and plans, financial statements, customer lists and records, technical data or other information, products, product specifications, product design information, schematics, assembly drawings, pricing, discounts, costs, software, technology, and all other creations, developments, and proprietary information of any nature, together with all intellectual property and proprietary rights of any nature relating to any of the foregoing, whether registered or unregistered, including without limitation patents, copyrights, trade secret rights, mask works, trademark rights, rights of publicity, and database rights.

A. Prior Intellectual Property. All Intellectual Property, whether or not patentable, created, developed, owned, controlled or manufactured by 2squareC before the effective date of the first Sales Order placed by the Buyer shall remain the property of 2squareC.

B. Subsequent Intellectual Property. All Intellectual Property created, developed, or made by 2squareC in connection with or furtherance of any Sales Order shall remain the exclusive property of 2squareC.

C. No License or Assignment. Nothing in this Agreement is intended to grant any rights to Buyer under Intellectual Property right of 2squareC, whether expressly, by implication, estoppel, or otherwise. Buyer agrees not to reverse engineer, disassemble, decompile, or have made any products, prototypes, software or other tangible objects that are exchanged or disclosed in the course of doing business and/or fulfilling any Sales Order. Nothing in this Agreement shall limit or restrict the rights of 2squareC to assert

infringement or other Intellectual Property claims against Buyer.

D. Patent Disclaimer. 2squareC does not warrant that the use or sale of the Products delivered or Services provided hereunder will not infringe the claims of any United States or other patents covering the Product or Service itself or the use thereof in combination with other products or services, or in the operation of any process.

X. TECHNICAL ASSISTANCE. At Buyer's request, 2squareC may, in 2squareC's sole and absolute discretion, furnish technical assistance, information, or other similar Services with respect to 2squareC's Products and Services. ALL SUCH INFORMATION AND SERVICES ARE PROVIDED "AS-IS". 2squareC MAKES NO WARRANTIES OF ANY KIND OR NATURE, WHETHER EXPRESS, IMPLIED, OR STATUTORY, OR ARISING FROM COURSE OF DEALING, OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, OR NON-INFRINGEMENT OF ANY THIRD-PARTY PATENTS OR OTHER INTELLECTUAL PROPERTY RIGHTS, WITH RESPECT TO ANY SUCH TECHNICAL ASSISTANCE OR INFORMATION OR OTHER SIMILAR SERVICES PROVIDED BY 2squareC OR ITS PERSONNEL. ANY SUGGESTIONS BY 2squareC REGARDING USE, SELECTION, APPLICATION OR SUITABILITY OF THE PRODUCTS AND SERVICES SHALL NOT BE CONSTRUED AS AN EXPRESS WARRANTY UNLESS SPECIFICALLY DESIGNATED AS SUCH IN A WRITING SIGNED BY AN OFFICER OR OTHER AUTHORIZED REPRESENTATIVE OF 2squareC IN A SALES ORDER ACKNOWLEDGMENT.

XI. INDEMNIFICATION. Buyer agrees to defend, indemnify, and hold harmless 2squareC, its subsidiaries, and affiliates, and each of its and their respective officers, directors, employees, agents, successors and assigns (collectively, the "2squareC Parties") from and against any and all claims, demands, suits, or proceedings, and all resulting losses, liabilities, expenses, fees (including attorney and expert fees), costs, damages, and judgments, that may be asserted against any of the foregoing arising out of or resulting from: (a) any breach by Buyer of any of its representations, warranties, or covenants in these Terms or in any Sales Order; (b) Buyer's promotion, use, and distribution of the Products or Services; (c) Buyer's misuse or unauthorized modification of the Products or Services; and (d) the acts or omissions of Buyer, and Buyer's employees, officers, directors, and agents.

2squareC will use reasonable efforts to notify Buyer promptly of any such claims, provided that Buyer will be relieved of its obligations only if and to the extent it



is materially prejudiced by a delay in such notice. 2squareC will cooperate reasonably in any defense at Buyer's expense. Buyer may not enter into any compromise or settlement without 2squareC's prior written consent.

XII. LIMITATION OF LIABILITY. TO THE EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL ANY OF THE 2squareC PARTIES BE LIABLE FOR ANY LOST REVENUES OR LOST PROFITS, OR FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY KIND RELATING TO ANY SALES ORDER OR ANY PRODUCTS OR SERVICES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING WITHOUT LIMITATION, ANY LIABILITY FOR LOSS OF USE, COST OF CAPITAL, LOSS OF WORK IN PROGRESS, DOWN TIME, FAILURE TO REALIZE SAVINGS, ANY LIABILITY OF BUYER TO ANY THIRD PARTY, OR ANY LABOR OR OTHER EXPENSE, DAMAGE, OR LOSS OCCASIONED BY ANY PRODUCT OR SERVICE, INCLUDING WITHOUT LIMITATION PERSONAL INJURY OR PROPERTY DAMAGE, UNLESS SUCH PERSONAL INJURY OR PROPERTY DAMAGE IS CAUSED BY 2squareC'S GROSS NEGLIGENCE. IN NO EVENT WILL THE 2squareC PARTIES' AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO ANY SALES ORDER EXCEED THE AMOUNTS PAID OR PAYABLE UNDER SUCH SALES ORDER.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER ASSUMES ALL RISK AND LIABILITY FOR THE RESULTS OBTAINED BY THE USE OF ANY PRODUCTS OR SERVICES IN THE PRACTICE OF ANY PROCESS, WHETHER IN TERMS OF OPERATING COSTS, GENERAL EFFECTIVENESS, SUCCESS OR FAILURE, AND REGARDLESS OF ANY ORAL OR WRITTEN STATEMENTS MADE BY 2squareC, BY WAY OF TECHNICAL ADVICE OR OTHERWISE, RELATED TO THE USE OF THE PRODUCTS OR SERVICES.

THE EXCLUSION OF THE FOREGOING DAMAGES AND/OR CLAIMS AND THE OTHER LIMITATIONS ON LIABILITY SET FORTH ABOVE SHALL BE DEEMED INDEPENDENT OF, AND SHALL SURVIVE, ANY FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THESE EXCLUSIONS AND LIMITATIONS ON DAMAGES SHALL APPLY REGARDLESS OF HOW THE LOSS OR DAMAGE MAY BE CAUSED AND AGAINST ANY THEORY OF LIABILITY, WHETHER BASED ON CONTRACT, INDEMNITY, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY. ALL CLAIMS MUST BE BROUGHT WITHIN ONE (1) YEAR OF SHIPMENT OF PRODUCTS, OR WITHIN THIRTY (30) DAYS OF PERFORMANCE OF SERVICES, REGARDLESS OF THEIR NATURE.

XIII. ARBITRATION. Any controversy or claim arising out of or relating to any Sales Order, or any breach thereof, including, without limitation, any claim that any Sales Order, or any part thereof, is invalid, illegal or otherwise voidable or void, shall be submitted exclusively to final and binding arbitration before JAMS in San Francisco, California in accordance with the Comprehensive Arbitration Rules of JAMS then in force except as otherwise set forth herein. Judgment upon the award may be entered in any court having jurisdiction thereof; provided, however, that this clause shall not be construed to limit any rights which 2squareC may have to apply to any court of competent jurisdiction for injunctive or other provisional relief. The arbitrator shall determine the arbitrability of any dispute. This arbitration provision shall be deemed self-executing, and in the event that either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party notwithstanding failure to appear. The parties agree that the arbitrator shall not have the power to award punitive damages against any party. The prevailing party in any such dispute shall be entitled to recover from the losing party its fees and costs, including without limitation its attorney and expert fees.

XIV. SEVERABILITY. If any provision of any Sales Order shall under any circumstances be deemed invalid or inoperative, that Sales Order shall be construed with the invalid or inoperative provision deleted, and the rights and obligations of the parties shall be construed and enforced accordingly.

XV. NONWAIVER. 2squareC's failure to enforce any provisions of any Sales Order or rights hereunder shall not operate as a waiver of such provisions or rights and the same shall remain in full force and effect for the duration of such Sales Order.

XVI. GOVERNING LAW. Each Sales Order and the acceptance of it shall be a contract made in the State of California and governed by the laws thereof, without giving effect to conflicts of law principles, and the United Nations Convention on Contracts for the International Sale of Goods shall not apply to such contract.