

**PCB PIEZOTRONICS, INC.
LARSON DAVIS DIVISION
TERMS AND CONDITIONS OF SALE**

Each quote issued by the Larson Davis Division of PCB Piezotronics, Inc. ("LD") and the acceptance of any purchase order by LD for LD products shall be governed by the following Terms and Conditions.

1. **GOVERNING TERMS AND CONDITIONS.** EXCEPT FOR AN ORDER WHICH SPECIFIES ONLY QUANTITY AND REQUESTED DELIVERY TERMS AND IS PART OF AN ACCEPTED ORDER, NO OTHER TERM WHICH DIFFERS FROM OR ADDS TO THESE TERMS AND CONDITIONS SHALL BE BINDING UPON LD. ANY OTHER OR DIFFERENT TERMS AND CONDITIONS PROPOSED BY BUYER ARE HEREBY EXPRESSLY REJECTED. THE PLACEMENT BY BUYER OF ANY ORDER SHALL CONSTITUTE ACCEPTANCE OF THESE TERMS AND CONDITIONS.

2. **TITLE, DELIVERY AND INSPECTION.** Products shall be delivered FCA (Incoterms 2010) LD's facility (i.e., as applicable, Depew, New York, Roanoke Rapids, North Carolina, or Provo, Utah), unless otherwise agreed in a writing signed by LD. Title and liability for loss or damage shall pass to Buyer upon tender of goods to common carrier for shipment to Buyer. Shipping dates are approximate only. LD shall not be liable for any costs or damages (incidental, consequential, special or otherwise) for LD's failure to meet delivery dates. Delays experienced by LD in obtaining a validated export license shall be deemed excusable and beyond the reasonable control of LD. Buyer shall have a reasonable time, not to exceed thirty (30) days to inspect goods delivered and to notify LD of any discrepancies. Failure of Buyer to give notice under these terms shall be deemed acceptance of the applicable goods.

3. **PAYMENT TERMS.** All payments shall be made in U.S. funds. LD may extend or withhold credit to Buyer in LD's sole discretion. Where credit is extended to Buyer, terms of payment shall be net thirty (30) days from date of invoice. Credit may be withdrawn or subsequent shipments held by LD at any time for late payment. Buyer shall pay interest at the rate of 1.5% per month from date of invoice for late payment.

LD's prices are exclusive of all taxes and duties. Without limitation of the foregoing, responsibility for all customs duties and charges, sales taxes, use taxes, value-added taxes and any other taxes imposed by any federal, state, local or municipal taxing authority (excluding any taxes solely on LD's income), shall be borne solely by Buyer.

4. **LIMITED WARRANTY**

A. **Total Customer Satisfaction.** LD guarantees Total Customer Satisfaction. If, at any time you are not completely satisfied with any LD product, LD will repair, replace or exchange it at no charge, except as otherwise provided in this Limited Warranty. The customer's right to repair, replace or exchange of any LD product (other than PCB Series 130, 377, 378, 426 and LD Series 2500 stock product microphones) without additional charge shall be for a period of two (2) years from the original date of purchase. The customer's right to repair, replace or exchange of any PCB Series 130, 377, 378, 426 or LD Series 2500 stock product microphone without additional charge shall be for a period of five (5) years from the original date of purchase. The employees of LD strive to provide superior, unmatched customer service. Should you find yourself dissatisfied with any LD product for any reason, consult a LD Application engineer or local representative/ distributor to discuss your situation.

B. **Purchase Price Refund/Limited Warranty.** In furtherance of LD's commitment to Total Customer Satisfaction, LD will, for a period of one (1) year from date of original purchase, refund 100% of the Buyer's purchase price for any stock or standard LD product with which the original purchaser is not completely satisfied, subject to the exceptions contained in Paragraph I of this Limited Warranty. The option of a refund may be selected during this one (1) year period in lieu of repair, replacement or exchange of the stock or standard product.

The date of original purchase referred to above in Paragraphs A and B of this Section 4 shall be deemed to be (i) the date of installation for any product installed by LD and (ii) thirty (30) days from the date of shipment for any product not installed by LD.

C. **Extended Labor Warranty.** In furtherance of LD's commitment to Total Customer Satisfaction, LD offers an extended labor warranty of one (1) year on all products calibrated or certified by a factory technician at any time or from time-to-time during the first seven years of the product life from date of manufacture. The calibration / factory recertification constitutes a factory recertification by LD of the product to its original specifications. The customer's sole remedy pursuant to this extended warranty is to receive free labor for any repairs required during the period in which the extended warranty is

effective. This extended labor warranty is subject to the limitations as outlined in Paragraph G of this Limited Warranty.

D. **Service & Repair Limited Warranty.** In addition to the limited warranties set forth above, LD offers a 90-day parts and labor limited warranty for all repair work performed at the factory. This warranty is limited to parts repaired or replaced at the factory by LD. This warranty is also subject to the limitations as outlined in Paragraph G of this Limited Warranty.

E. **Shipping Charges.** LD will, upon its receipt of any product under warranty, pay all shipping charges to send the repaired, replaced or exchanged product to the original point of shipment.

F. **Products Manufactured by Others.** This Limited Warranty does not cover any products manufactured by others. Such products are subject to the warranty, if any, of their respective manufacturers, and to be repaired only by a respective authorized service person for such products. LD shall have no obligation to undertake repairs of products manufactured by others.

G. **No Extension of Statute of Limitations.** ANY REPAIRS PERFORMED UNDER THIS LIMITED WARRANTY SHALL NOT IN ANY WAY EXTEND THE STATUTE OF LIMITATIONS FOR CLAIMS UNDER THIS LIMITED WARRANTY.

H. **WAIVER OF OTHER WARRANTIES.** THE EXPRESS WARRANTIES SET FORTH IN THIS LIMITED WARRANTY ARE IN LIEU OF AND EXCLUDE ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

I. **ADDITIONAL EXCLUSIONS FROM THIS LIMITED WARRANTY.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LIMITED WARRANTY, THIS LIMITED WARRANTY DOES NOT COVER ANY OF THE FOLLOWING:

1. EQUIPMENT THAT HAS BEEN ABUSED, DAMAGED, USED BEYOND RATED CAPACITY, OPENED, OR PRODUCTS THAT HAVE BEEN OPENED (I.E., REMOVAL OF OUTER CASING OF PRODUCT), OR REPAIRED BY PERSONS OTHER THAN AUTHORIZED SERVICE PERSONNEL.

2. PRODUCTS MANUFACTURED BY OTHERS. EXAMPLES OF THIRD PARTY PRODUCTS NOT COVERED BY THIS WARRANTY INCLUDE BATTERIES, WEATHER SENSORS, SOLAR PANELS AND MODEMS.

3. CONSUMABLES, MEANING PARTS THAT, BASED ON PRODUCT LIFE, CAN BE EXPECTED TO BE REPLACED ON A REGULAR BASIS – TYPICAL EXAMPLES INCLUDE DESICCANT, WINDSCREEN FOAM AND BATTERIES.

4. DAMAGE CAUSED BY ACTS OF GOD THAT INCLUDE, BUT ARE NOT LIMITED TO, HAILSTORMS, WINDSTORMS, HURRICANES, TORNADOES, SANDSTORMS, ACID RAIN, CHEMICAL DEPOSITS, LIGHTNING, FLOODS AND EARTHQUAKES.

5. DAMAGE UNDER CONDITIONS CAUSED BY FIRE OR ACCIDENT, BY ABUSE OR BY NEGLIGENCE OF THE USER OR ANY OTHER PERSON OTHER THAN LD, BY VANDALISM, BY IMPROPER INSTALLATION, BY MISUSE, BY INCORRECT OPERATION, BY "NORMAL WEAR AND TEAR", BY IMPROPER ADJUSTMENT OR ALTERATION, BY ALTERATIONS NOT COMPLETED BY AUTHORIZED SERVICE PERSONNEL, OR BY FAILURE OF PRODUCTS PARTS FROM SUCH ALTERATIONS.

6. COSTS OF REPAIRING DAMAGE CAUSED BY POOR OR IMPROPER MAINTENANCE OR UNAUTHORIZED REPAIR.

7. COSTS OF MODIFYING THE PRODUCT IN ANY WAY ONCE DELIVERED TO THE BUYER, EVEN IF SUCH MODIFICATIONS WERE ADDED AS A PRODUCTION CHANGE ON OTHER PRODUCTS MADE AFTER THE BUYER'S PRODUCT WAS BUILT.

J. **Procedure for Warranty Performance.** If the product fails to perform to LD's specifications, the Buyer must provide LD with the applicable model and serial numbers, the date of purchase, and the nature of the problem.

K. **Authority to Alter This Limited Warranty.** No agent, representative, or distributor of LD has any authority to alter the terms of this Limited Warranty in any way. This Limited Warranty may be altered only in writing by an authorized officer of LD.

5. **LIMITATIONS OF LIABILITY**

A. **NO INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES.** LD'S SOLE OBLIGATIONS UNDER ITS LIMITED WARRANTY ARE SET FORTH ABOVE IN PARAGRAPHS 4.A, 4.B, 4.C, 4.D AND 4.E. IN NO EVENT SHALL LD BE LIABLE TO THE BUYER OR ANY OTHER PERSON FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR LOST PROFITS LOSSES OR DAMAGES OR FOR ANY FINANCIAL OR ECONOMIC LOSS CONNECTED WITH THE USE OF THE PRODUCT ORDERED UNDER THESE TERMS AND CONDITIONS. SUCH DAMAGES FOR WHICH LD SHALL NOT BE RESPONSIBLE INCLUDE, BUT ARE NOT LIMITED TO, LOST TIME AND CONVENIENCE, LOSS OF USE OF THE PRODUCT, THE COST OF A PRODUCT RENTAL, COSTS OF GASOLINE, TELEPHONE, TRAVEL OR LODGING, THE LOSS OF PERSONAL OR COMMERCIAL PROPERTY, LOSS OF CONTRACTS, LOSS OF PRODUCTION, AND THE LOSS OF REVENUE.

B. **NO LIABILITY IN EXCESS OF PURCHASE PRICE.** IN NO EVENT SHALL LD'S AGGREGATE LIABILITY WITH RESPECT TO ANY PRODUCT SOLD EXCEED THE PURCHASE PRICE OF THE PRODUCT PLUS ANY SHIPPING CHARGES THAT LD MAY BE OBLIGATED TO PAY PURSUANT TO PARAGRAPH 4.E ABOVE. THE REMEDIES OF THE BUYER UNDER THESE TERMS AND CONDITIONS SHALL BE EXCLUSIVE AND IN LIEU OF ANY OTHER REMEDY AT LAW OR IN EQUITY.

6. **EXPORT CONTROL.** All LD quotes and all Buyer purchase orders issued for LD products are subject to all U.S. Export Regulations, including, without limitation, the International Traffic in Arms Regulations (ITAR) administered by the U.S Department of State's Directorate of Defense Trade Controls, and the Export Administration Regulations (EAR) administered by the Department of Commerce's Bureau of Industry and Security. LD's performance on any resulting sale or contract is contingent on strict compliance with these regulations as applicable and may require prior written approval from the U.S. Government (USG) before LD can execute the terms and conditions of the purchase order. LD shall not be liable for delays resulting from the actions or inaction of any USG agency.

Buyer agrees to comply with the terms and conditions of all U.S. Export and Re-export Regulations, and U.S. Government written approvals related to this purchase order. Buyer agrees to indemnify and hold harmless LD for all claims, losses, or damages, including, without limitation, reasonably attorneys' fees and expenses, incurred by LD as a result of any failure by Buyer to comply with this Section 6.

7. **COMPLIANCE WITH LAWS.** Buyer represents and covenants that, at all times, Buyer's use, sale, marketing and export of all LD products shall be in accordance with all applicable laws, rules, and regulations of the United States and of any other applicable jurisdictions, including without limitation, the U.S. Foreign Corrupt Practices Act and all applicable export laws, restrictions and regulations of the United States or any applicable foreign government, agency or authority. Buyer will not export or re-export, or authorize the export or re-export of any LD product, technology or information it obtains or learns from LD in violation of any laws, restrictions or regulations.

8. **APPLICABLE LAW.** The validity, performance and construction of this contract shall be governed by the internal laws of the State of New York, United States of America, without regard to principles of conflicts of law.

THE RIGHTS AND OBLIGATIONS OF THE PARTIES WITH RESPECT TO THIS QUOTE AND ANY PURCHASE ORDER ISSUED FOR LD PRODUCTS SHALL NOT BE GOVERNED BY THE PROVISIONS OF THE 1980 UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS.

9. **CANCELLATION.** Accepted orders may be cancelled subject to the provisions of this Section 9. Orders for stock products may be cancelled without penalty. In the event of a customer cancellation of a non-stock order, LD shall have the right to charge a cancellation fee equal to fifty percent (50%) of the purchase price payable with respect to the cancelled order. Such cancellation fee is intended to reimburse LD for its costs incurred in preparing to meet Buyer's requested delivery schedule for a non-stock product, including, without limitation, LD's commitments to its suppliers, and the cost of non-stock inventory (raw materials, work-in-process and finished products) allocated to Buyer's order together with an allowance for termination costs.

10. **ARBITRATION.** Any dispute or claim arising out of or pursuant to this quote or any purchase order for LD products shall be submitted to final and binding arbitration conducted in accordance with the

Commercial Arbitration Rules of the American Arbitration Association (the "Rules") by one arbitrator appointed in accordance with the Rules. The site of such arbitration proceedings shall be in Buffalo, New York. Judgment upon any award rendered in such arbitration may be entered in any court of competent jurisdiction. This provision shall not limit either LD's or the Buyer's right to obtain any provisional or equitable remedy, including, without limitation, injunctive relief from any court of competent jurisdiction, as may be necessary in the sole judgment of LD or the Buyer, as the case may be, to protect its rights hereunder.

11. **SEVERABILITY**. If any term, provision, covenant or condition of this contract is held to be invalid, void or unenforceable by a court of competent jurisdiction, the remainder of this contract shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

12. **NONWAIVER OF DEFAULT**. Each shipment hereunder shall be considered a separate transaction. In the event of any default by Buyer, LD may decline to make further shipments. If LD elects to continue to make shipments, LD's actions shall not constitute a waiver of any default by Buyer or in any way affect LD's legal remedies for any such default.

13. **ASSIGNMENT**. This contract shall not be assigned by Buyer without the prior written consent of LD. If consent is given, this contract shall be binding upon and inure to the benefit of the assigns.

14. **ENTIRE AGREEMENT**. THIS CONTRACT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES RELATING TO THE SALE OF GOODS DESCRIBED HEREIN AND SUPERSEDES ALL PREVIOUS COMMUNICATIONS, REPRESENTATIONS OR AGREEMENTS, EITHER ORAL OR WRITTEN. THIS AGREEMENT MAY BE CHANGED ONLY BY A MODIFICATION, IN WRITING, SIGNED BY THE BUYER AND A DULY AUTHORIZED LD REPRESENTATIVE. NO COURSE OF DEALING OR TRADE PRACTICE SHALL ACT TO MODIFY OR INTERPRET ANY TERMS EXPRESSED IN THIS AGREEMENT.

PCB LD DIVISION FORM – 2013 SALE TERMS AND CONDITIONS
October 2013 Revision