

# MICRONETICS

The following Standard Terms and Conditions of Sale, Document MWTC001, (which were set forth in our Quotation, if any, to Buyer) shall be the Standard Terms and Condition applicable to the agreement (the "Sales Contract") between Micronetics, Inc., Microwave & Video Systems, Inc., Enon Microwave, Inc. and Microwave Concepts, Inc. (collectively "Micro") and Buyer resulting from Micro's acceptance of Buyer's order, and shall apply to the order regardless of anything which may appear on Buyer's purchase order. Buyer's assent to the Standard Terms and Conditions of Sale set forth herein, shall be conclusively presumed from Buyer's failure to reasonably object, in writing, and from Buyer's acceptance of all or any part of the products ordered. The Sales Contract contains the total agreement of the parties and all proposals, negotiations, representations or agreements made or entered into prior to or contemporaneously with this Sales Contract, are excluded whether oral or in writing.

1. Prices are F.O.B. Micro's plant of manufacture unless otherwise specified. Prices shown herein are subject to change without notice. Purchase prices are stated in United States Dollars and payment shall be in United States Currency. Invoice terms as specified. Micro reserves the right to modify or withdraw credit terms at any time without notice and to acquire guarantees, security or payment in advance of the amount of credit involved.

2. Prices do not include sales tax, use, excise or similar tax. Any tax or other governmental charge upon production, sales, shipment or use of the product which Micro is required to pay or collect from Buyer shall be paid by Buyer to Micro unless acceptable to the applicable taxing authority. Buyer shall be responsible for obtaining any necessary governmental clearances, including import and foreign exchange licenses, which may be required by any government other than the United States. Any sales or similar taxes not collected at time of sale and later assessed shall be rebilled to Buyer who shall be responsible for payment and any applicable late fees.

3. Micro will ship in accordance with instructions supplied by Buyer, but if Buyer fails to furnish such instructions prior to the shipping date, Micro will select what is, in its opinion, the most satisfactory routing for the shipment. If Buyer is to pick up products and has not done so within seven days after notification that they are ready for shipment, Micro may ship the products through a commercial carrier designated by Micro. Title to and risk of loss for the products pass to the Buyer upon delivery to the carrier. Any prepayment by Micro of freight charges shall be for the account of Buyer and shall be paid by Buyer with and in addition to the purchase price. Buyer shall also be responsible for applicable handling and insurance charges.

4. Micro reserves the right to start production and commit funds in time to meet Buyer's delivery date based on conditions in its plant and lead time required by Micro's suppliers. In the event of default, breach, or cancellation by Buyer, Buyer shall be responsible for any losses or charges to Micro resulting therefrom.

5. Shipping dates are given to the best of Micro's knowledge based upon conditions existing at the time the order is placed and information furnished by Buyer. Micro will, in good faith, endeavor to ship by the estimated shipping date, but shall not be responsible for any delay or any damage arising from any delay due to design changes or other matters outside of Micro's control. Furthermore, Micro shall not be liable for any failure to perform its obligations under this Sales Contract resulting directly or indirectly from or contributed to any authority, priorities, fire, strikes or other labor disputes, transportation, lack of or inability to obtain raw materials, components, labor, fuel or supplies, or other circumstances beyond Micro's reasonable control, whether similar or dissimilar to the foregoing.

6. Buyer's order may not be modified or rescinded except in writing signed by Micro and Buyer. If all or part of Buyer's order is terminated by such modification or rescission, Buyer, in the absence of a contrary written agreement between Micro and Buyer, shall pay termination charges based upon cost determined by accepted accounting principles plus a reasonable profit (not less than 10%), except that any products scheduled for completion within 60 days of Buyer's request for termination or rescheduling will be accepted and paid for in full by Buyer.

7. Should Micro be prevented from completing a Sales Contract or any part thereof because of any rule, regulation or order of the Federal government or any State government or any Federal or State commission, body or authority having jurisdiction in the premises, then Buyer agrees promptly, upon request to pay for any product or products then completed or in process an amount to be determined by Micro and representing its proportionate price of products so completed or in the process.

8. Micro warrants to Buyer that at the time of shipment the products will be free from defects of material and workmanship and will conform to the applicable Micro drawings and specifications. Should any defect become apparent within one year from delivery thereof to Buyer, which Micro reasonably determines does not conform to this warranty, Micro's sole obligation under this warranty will be limited to either, at Micro's option and expense, repairing, replacing or extending credit for the products or parts thereof returned to Micro by Buyer, F.O.B. Micro's plant. Buyer's exclusive remedy for breach of such warranty shall be enforcement of such obligation. Buyer to exercise its rights to such warranty shall notify Micro and obtain a Return Material Authorization (RMA) prior to returning any such product seeking warranty repair.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT BY WAY OF LIMITATION, ANY WARRANTY OF MERCHANTABILITY OF FITNESS FOR ANY PARTICULAR PURPOSE.

9. In the event Buyer claims that Micro has breached any of its obligations under a Sales Contract, whether arising out of the warranty stated in Paragraph 8 above or otherwise, Micro shall have the right to request the return of the product or products and tender to the Buyer the purchase price paid by Buyer. In such event, Micro shall have no further obligation under the Sales Contract except to refund such purchase price upon re-delivery of the products. If Micro so requests the return of the products, the products shall be re-delivered to Micro in accordance with Micro's instructions at Micro's expense.

THE REMEDIES PROVIDED FOR, IN THIS AND THE PRECEDING PARAGRAPH, SHALL CONSTITUTE THE SOLE RECOURSE OF BUYER AGAINST MICRO FOR BREACH OF ANY OF MICRO'S OBLIGATIONS UNDER THE SALES CONTRACT WITH BUYER, WHETHER THE CLAIM IS MADE IN TORT OR IN CONTRACT, INCLUDING CLAIMS BASED ON WARRANTY, NEGLIGENCE OR OTHERWISE.

10. In the event any product to be furnished under a Sales Contract is to be made in accordance with drawings, samples or manufacturing specifications designated by Buyer, Buyer agrees to hold Micro harmless from any and all damages, costs and expenses relating to any claim arising from the design, manufacture or use of the product or arising from a claim that such product furnished to Buyer by Micro or the use thereof, infringes any Letters Patent, foreign or domestic, and Buyer agrees at its own expense to undertake the defense of any suit against Micro brought upon such claim or claims. In the event any product to be furnished under a Sales Contract is not to be made in accordance with drawings, samples or manufacturing specifications designated by Buyer, but rather is the design of Micro, Micro agrees to hold harmless Buyer and its customers against any damage awarded by a court of final jurisdiction in any suit or suits for the infringement of any United States Letter Patent by reason of the sale or use of such product furnished by Micro under this Sales Contract. The foregoing undertaking shall not apply unless Micro shall have been informed as soon as practicable by Buyer of the charge suit alleging such infringement and shall have been given the opportunity to take over the defense thereof, and further, such undertaking shall not apply if (i) the claim of infringement is settled without the consent of Micro unless required by a final unappealable decree of a court of competent jurisdiction, or (ii) the infringement results from the use of a product delivered under this Sales Contract in combination with a product not delivered hereunder where such infringement would not have occurred from the use of the product alone delivered hereunder.

11. Micro reserves the right to make changes in the design of its products at any time without incurring any obligations to make equivalent changes in products previously manufactured or shipped. All tooling used to produce the product to be furnished under this Sales Contract is the property of Micro.

12. Products and/or spare parts shall be packed and packaged in accordance with the best commercial practices for one way shipment by air and/or surface transportation.

13. Any software provided by Micro in the products may only be used in the products purchased pursuant to this Sales Contract. No title to or ownership of any such software shall be transferred to Buyer pursuant to the Sales Contract and, except as necessary to utilize the products that are the subject of the Sales Contract, such title shall be retained in its entirety by Micro. At the time of delivery a separate software license may be required to be executed by Buyer otherwise a non-exclusive license to use such license is granted hereby provided Micro receives full payment under the Sales Contract.

14. This Sales Contract shall be governed by the Uniform Commercial Code as adopted in the State of New Hampshire, as effective and in force on the date hereof. Wherever a term defined by said Uniform Commercial Code is used herein the definition contained in the Uniform Commercial Code is to control. No action as a result of breach of sale, this Sales Contract or any covenant or warranty arising therefrom, shall be brought more than one year after the cause of action arose.