

## Audio Squadron Limited Terms & Conditions of Sale

### 1. General conditions

Audio Squadron Limited (hereinafter referred to as "the Seller") submits all quotations and price lists, arranges loans of products for demonstration purposes and accepts all orders subject to the following terms and conditions of contract, which shall apply to all contracts for goods supplied or work done by the Seller, its servants, agents or sub-contractors to the exclusion of all other representations, conditions and warranties statutory or otherwise expressed or implied.

For the purposes of these conditions, "the Purchaser" is any person or organisation that, directly or indirectly through its servants, agents or employees, requests the Seller to provide product information including specifications and prices or to supply goods and/or services or requests the Seller to loan goods for evaluation or demonstration purposes, regardless of whether a firm order is placed.

No variation to these conditions shall be binding unless agreed in writing in advance of order acceptance between the authorised representatives of the Purchaser and the Seller.

The Seller is licensed to manufacture products using the Prism Sound / SADIe brand name and to use the Prism Sound / SADIe logo. The Seller makes no representations whatsoever on behalf of Prism Sound Ltd and no sales contract made by the Seller implies any participation or involvement of Prism Sound Limited.

### 2. Quotations and acceptance

(a) Quotations are valid for 30 days from date of issue and represent no obligation until the Seller accepts in writing the Purchaser's written order.

(b) Any order sent to the Seller by the Purchaser shall be accepted entirely at the discretion of the Seller and, if so accepted, the Seller's conditions shall apply to the entire exclusion of those of the Purchaser contained on or referred to in an order form or other documents or correspondence from the Purchaser and no addition, alteration or substitution of these terms shall be binding upon the Seller unless and until expressly accepted in writing by a duly authorised person on behalf of the Seller.

(c) Orders will be accepted by post, E-mail, Fax or other delivery method for original paperwork.

(d) Verbal orders will not be accepted. If the Purchaser wishes to place an order and advises the Seller by telephone, the Seller may at its own discretion offer to provide either by E-mail, Fax or post an order document prepared on behalf of the Purchaser requiring the signature of an authorised person at the Purchaser's organisation. Once signed and returned the order will be processed in the normal way.

### 3. Demonstrations and loans

Loan goods may be made available for the Purchaser's evaluation. If so, the loan is subject to the following terms:

(a) Cost of carriage for sending the goods to the Purchaser will be borne by the Seller. The cost of carriage for the return shipment will be borne by the Purchaser.

(b) Loan goods are provided in response to the Purchaser's request. The request may be written or verbal. In either case the order will be confirmed in writing in a similar manner to a firm order except that the order confirmation paperwork will stipulate "sale or return".

(c) Loan goods are provided on a strict "sale or return" basis. Unless otherwise stated on the delivery note, loans are made for a period of 1 week (7 Days), beginning on the day following delivery. If the unit is not returned by the next working day after the loan period (the return date), it is deemed sold and will be invoiced immediately.

- (d) The Loan goods may be purchased either by keeping the goods after the return date or by notification to the Seller of the intention to purchase the goods on loan. In the event that goods on loan are purchased, the cost of shipment and insurance of the goods to the Purchaser will be invoiced by the Seller.
- (e) The Purchaser may request an extension to the loan period by making an application in writing before the return date. Applications for extension made on or after the return date will be considered at the sole discretion of the Seller.
- (f) The Purchaser undertakes to return the goods in the original packaging in which they were dispatched, unless damaged to the extent that it will not adequately protect the goods.
- (g) In the event that the packaging and/or the goods are damaged on arrival at the Purchaser's premises, the Purchaser will immediately notify the Seller. The Purchaser will not use or otherwise disturb the damaged package or goods. The Seller will make arrangements for the return of the damaged package at its own expense.
- (h) The Purchaser undertakes to provide adequate insurance cover for the goods while on the Purchaser's premises and during the return shipment.
- (i) The Purchaser undertakes to ensure that the loaned goods are returned undamaged and in the exact same condition in which they were received. (Note: Loan units which are not brand-new will, if marked or damaged, be accompanied by a note recording details of the condition of the goods prior to delivery. Particular attention is given to checking for defects or marks in the finish when loan goods are returned.)
- (j) The Purchaser undertakes to return all of the items provided with the goods including manuals, leads, adaptors and packaging items.
- (k) The Seller reserves the right to invoice and demand immediate payment from the Purchaser for any items not returned or returned damaged but not including damage which occurred in transit to the premises of the Purchaser. The amount charged will be double the materials & labour costs of the replacement or repair, this to include provision for administration costs incurred by the Seller.

#### 4. Price and delivery

- (a) Prices quoted do not include VAT.
- (b) Delivery will be ex-works and goods will be packed to the Seller's normal specification.
- (c) Time of delivery shall not be of the essence and any delivery period quoted is an estimate only and commences from the Seller's acknowledgement of the Purchaser's order. Provided the Seller takes all reasonable steps to deliver the goods at the time stated the Seller shall be under no liability for any delay or failure in delivery.
- (d) The Seller will at the request of the Purchaser arrange shipment of the goods to the delivery address specified by the Purchaser and will invoice the cost of carriage and insurance to the Purchaser. Liability for delivery will remain with the Seller unless the purchaser makes alternative arrangements with the courier.
- (e) The Seller reserves the right to deliver in more than one consignment and to invoice each consignment separately.
- (f) Purchasers outside the UK are responsible, at their own expense, for obtaining any import license or other documentation, required in the country of destination and the Seller is responsible for seeking any necessary license to export from the UK unless the Purchaser's office issuing the order is located in the UK.
- (g) All contracts for export from the UK shall be in accordance with INCOTERMS 2020 (or subsequent updates) edition or any amendment or re-publication thereof for the time being in force at the date of the contract. Should any conflict arise between the terms in this document and those of INCOTERMS, the terms of this document will prevail.

## 5. Title and risk

(a) Legal title to the goods shall remain with the Seller until such time as the Seller has received payment of the price of the goods and of the price of any other goods or services previously or subsequently supplied by the Seller to the Purchaser whereupon such title shall pass to the Purchaser, insofar as the goods may be delivered to the Purchaser prior to the time when title thereto passes to the Purchaser as aforesaid the Purchaser shall until such time hold the goods as the fiduciary agent and bailee of the Seller and shall accordingly remain liable to account to the Seller for the goods or, if the same shall be sold by the Purchaser (which the Purchaser shall be entitled to do as the fiduciary agent of the Seller but, as between the Purchaser and the Purchaser's customer, only as principal and without creating any relationship, disclosed or undisclosed, between the Seller and such customer), for all of the proceeds, tangible and intangible (and including without limitation insurance proceeds and proceeds of proceeds), thereof. The Purchaser shall as trustee for the Seller, pay such proceeds into a bank account separate from all other bank accounts and other monies and assets of the Purchaser and of third parties. The Purchaser shall store the goods separate from any other goods of the Purchaser and of third parties and shall identify the goods as the property of the Seller. The Purchaser shall not remove any identifying marks placed on the goods by the Seller.

(b) Notwithstanding the retention by the Seller of legal title to the goods.

- (1) risk in the goods shall pass to the Purchaser on delivery to the Purchaser's delivery address and the Purchaser shall arrange for the Seller's interest in the same to be noted on all relevant insurance policies,
- (2) the Seller shall be entitled to maintain an action against the Purchaser for the price of the goods or any part thereof, and
- (3) the Purchaser shall be deemed to have accepted all goods upon their delivery by the Seller to the address specified in the order.

(c) The Purchaser may exercise its right to sell the goods as the fiduciary agent of the Seller in the usual course of the Purchaser's business but such right:

- (1) may be revoked at any time by the Seller giving notice to that effect if the Purchaser is in default for longer than seven (7) days in the payment of any sum whatsoever due to the Seller (whether in respect of the goods or of any other goods or services supplied at any time by the Seller to the Purchaser or for any reason whatsoever) or if the Seller has bona fide doubts as to the solvency of the Purchaser; and
- (2) shall automatically cease if a receiver, manager or administrator is appointed over the assets, undertaking or property of the Purchaser, or a winding-up order or administration order against the Purchaser is made or petitioned, or any petition or order in bankruptcy against the Purchaser is presented or made, or the Purchaser goes into voluntary liquidation (otherwise than for the purposes of reconstruction or amalgamation while solvent) or calls a meeting of or makes arrangements or compositions with creditors.

(d) Upon determination of the Purchaser's rights of sale under condition 5.(c)(1) or 5.(c)(2) above, the Purchaser shall place the goods at the disposal of the Seller (who shall be entitled to enter any premises of the Purchaser for the purpose of removing the goods and to remove the goods from the said premises) and/or, as the case may be, pay to the Seller the proceeds then held by the Purchaser as trustee for the Seller in accordance with condition 5.(a).

## 6. Performance and specifications

(a) Unless any performance figures, tolerances or characteristics have been specifically warranted by the Seller in writing, the Seller shall be under no liability whatsoever for any failure to attain such figures, tolerances or characteristics whether attributable to the Seller's negligence or otherwise.

(b) The Seller shall use reasonable endeavours to ensure the accuracy of technical data or literature relating to the goods, but the Seller accepts no liability in contract, tort (including negligence or breach of statutory duty) or otherwise for any damage or injury arising directly or indirectly (save for death or personal injury) from any error or omission in such technical data or literature.

## 7. Confidentiality

Both the Seller and the Purchaser shall keep confidential and shall not disclose to any third party, without the prior written consent of the other, any technical or commercial information not already in the public domain other than by breach of this agreement which it has acquired from the other as a result of discussions, negotiations and other communications between them relating to the supply of goods or any enquiry about the goods. The Purchaser will ensure that its servants, agents and employees and sub-contractors are aware of and observe this condition, both during and after the discharge of this agreement.

## 8. Unfair Contract Terms Act 1977

(a) If and to the extent that s6 and/or 7(3A) of the Unfair Contract Terms Act 1977 applies to the Order, no provision of these terms and conditions shall operate or be construed to operate so as to exclude or restrict the liability of the Seller for breach of the applicable warranties as to title and quiet possession implied into the terms and conditions of the Order by s12(3) of the Sale of Goods Act 1979, or s2(3) of the Supply of Goods and Services Act 1982, as amended by the Supply of Goods and Services Act 1994 whichever act applies to the Order.

(b) Where the Purchaser is a natural person and if and to the extent that s2(1) of the Unfair Contract Terms Act 1977 applies to the Order, nothing in these terms and conditions shall operate or be construed to operate so as to exclude or restrict the liability of the Seller for death or personal injury caused to the Purchaser by reason of the negligence of the Seller or its servants, employees or agents.

## 9. Payment and set-off

(a) Payment for UK deliveries shall be due 30 days from the date of invoice except where the Seller stipulates Cash with order or Cash on delivery or other terms in writing. The Seller reserves the right to charge interest before and after any judgement at 3% per month on any sum outstanding after the due date and to cancel the Order or suspend any further deliveries.

(b) Payments for exports from the UK shall be made in the UK through an irrevocable unconditional Letter of Credit (LOC) established in favour of the Seller and confirmed by a London clearing bank. The Letter of Credit shall:

- (1) have an initial validity equal to the delivery period plus one month,
- (2) permit part shipments and
- (3) provide for the release on each shipment of 100% of the contract value thereof. No liability

to deliver goods shall arise before the Seller receives such a Letter of Credit.

(c) Any discounts specified by the Seller shall apply only where payment is received as indicated above. Payment shall not be withheld on account of any claim by the Purchaser against the Seller. The Seller reserves the right to suspend deliveries where payment for any order, related or otherwise has not been made by the due date and remains outstanding.

(d) If at any time any sum of money becomes payable by the Seller to the Purchaser under or in connection with the contract or any breach thereof by the Seller, the Seller shall be entitled, in addition to any other rights of set-off conferred by law, to set-off against such sum any amount then due, or which may

at any time thereafter become due, to the Seller from the Purchaser under the contract or any other contract, order or transaction between the Seller and the Purchaser.

## 10. Guarantee

(a) Any defects which under proper use appear in the goods within a period of twenty-four (24) months (unless otherwise stated in writing) after delivery and which are due to faulty materials and/or workmanship will be made good by the Seller either by repair or, at its option, by replacement. In order to affect such a claim, the Purchaser will notify the Seller of the details of the claim in writing (specifying the date of purchase) by post, E-Mail or other medium upon which the Seller will assess the claim and if valid under this guarantee will authorise the return of the goods. Goods will be returned to the Seller, carriage paid, insured and suitably packaged, within the twenty-four-month period, together with details of the claim in writing (which specifies the date of purchase) and a copy of the return authorisation or return authorisation number.

(b) Software programs designed to run on personal computers, programs that may be loaded into products from a personal computer and all types of configuration data including PAL and FPGA configurations that are loaded into memory or other storage devices within hardware products are supplied on the strict understanding that the Seller does not warrant their functions to be free of defects or errors.

(c) No goods may be returned for credit unless previously agreed with the Seller.

(d) The Seller's sole obligation and Purchaser's sole remedy under this provision is limited to the cost of repair or replacement of the goods supplied irrespective of the nature of the claims, whether in contract, tort or otherwise.

(e) All items (including without limitation software programs) added to or incorporated into or attached to the goods by the purchaser (provided that such addition or incorporation or attachment does not constitute modification) must be removed from the goods prior to return to the Seller. The Seller shall not be liable in respect of any loss or damage resulting from any such items not so removed being damaged and the return of the goods by the Purchaser will authorise the Seller to remove such items from the goods without liability.

(f) This guarantee is provided by the Seller and accepted by the Purchaser in substitution for all express or implied representations, conditions or warranties, statutory or otherwise, as to the state, quality, fitness for purpose or performance of the goods (or any materials used in connection therewith) or the standard of workmanship and all such representations conditions and warranties are hereby excluded.

(g) The Seller shall not be liable in any way whatsoever whether in contract, in tort, in misrepresentation or under statute or common law or otherwise for any consequential or other loss, damage or injury however caused and whether caused by the Seller's negligence which may arise out of, or in connection with, the supply of goods to the Purchaser except for liability for death or personal injury arising from the Seller's negligence.

(h) This guarantee does not apply to goods which have been subject to misuse, neglect, accident or modification.

## 11. Force majeure

The Seller shall have no liability in respect of failure or delay in delivery or failure in performance of any obligations under the contract due to any cause outside the Seller's control.

## 12. Price variation

(a) The Seller reserves the right to increase the price of goods in proportion to any increase of costs to the Seller between the date of acceptance of the order and the date of delivery (including without limitation costs relating to exchange rates, labour, materials, transport and taxes).

(b) The Seller reserves the right to increase the price of goods where the increase is due to any act or default of the Purchaser, including without limitation the cancellation by the Purchaser of any part of any order or failure to meet targeted purchase quantities on which a price agreement rests.

## 13. Storage

When delivery is delayed for reasons attributable to the Purchaser or its agents,

- (a) storage and other additional costs will be charged to the Purchaser,
- (b) the goods will be at the Purchaser's risk from the date of commencement of such delay,
- (c) the original delivery date shall be the date of commencement of the guarantee,
- (d) the Seller may invoice the price of the goods on the original delivery date.

## 14. Intellectual property rights

(a) The sale of goods and the publication of any information or technical data relating thereto does not imply, and the Seller gives no warranty or condition whether expressed or implied by statute, at common law or otherwise as to, freedom from infringement of the patent, registered design, trademark, tradename, copyright or other intellectual property rights of third parties (whether arising or created before or after the date of delivery of the goods)("IPR") in respect of the goods or any particular application thereof or any method in which the goods are used or disposed of or any combination of the goods with or into any other product (whether or not supplied by the Seller), whether or not that application, method or combination is the only application, method or combination in which the goods can be disposed of or used.

(b) The Purchaser warrants that any design and specifications supplied or specified by it to the Seller will not involve the infringement of any IPR in the manufacture and sale of the goods by the Seller.

(c) The Purchaser undertakes to indemnify and keep indemnified the Seller against all royalties, claims actions, demands, proceedings, losses and costs in connection with any infringement or alleged infringement of any IPR arising out of or in connection with the matters described in paragraphs 14. (a) and 14. (b) above.

## 15. Export control regulations

(a) The Seller shall in no circumstances be liable for any damage, loss or claim howsoever occasioned by an act or omission on the part of the Purchaser in contravention of any regulations issued by the United States Government concerning the export of goods, services or technology.

(b) Any goods supplied by the Seller whose export from the United Kingdom is restricted by any aforementioned regulations shall not be exported by the Purchaser without the prior approval of the relevant authorities concerned with the administration of such regulations.

## 16. Limitation of liability

(a) Save in the case of personal injury or death caused by the negligence of the Seller and other than as provided in condition 3, the Seller shall not be liable in contract, tort (including negligence on the part of the Seller), breach of statutory duty or otherwise for any loss, injury, destruction or damage suffered by the Purchaser whatsoever or howsoever arising out of or in connection with the supply of goods or services by the Seller.

(b) If for any reason the provisions of conditions 10. (f), 14. and 16. (a) are of no effect in respect of a claim against the Seller, the Seller's liability in respect of that claim shall in no event exceed the price paid for the relevant goods or services by the Purchaser.

(c) The Seller accepts no liability whether in contract, tort (including negligence on the part of the Seller), breach of statutory duty or otherwise howsoever and whatsoever the cause thereof,

- (1) for any loss of use, business profits, contracts, revenues or anticipated savings, or
- (2) for any special, consequential or indirect loss or damage of any nature whatsoever.

(d) No liability whatsoever shall be incurred by the Seller in respect of any representation made by the Seller or his agents to the Purchaser or his agents before the contract was made where such representation related or referred in any way to

- (1) the correspondence of the goods to any description
- (2) the quality of the goods
- (3) the fitness of the goods for any purpose whatsoever.

## 17. Cancellation and returned goods

(a) Cancellations will be accepted at the discretion of the Seller. The Seller reserves the right to charge a cancellation fee of 10% of the price of the goods subject to cancellation.

(b) No returns are permitted without the Seller's prior written agreement.

(c) Agreed returns will be shipped at the Purchaser's expense in original condition in original packaging. The Seller reserves the right to charge a 35% re-stocking fee for returned goods.

## 18. Termination

If the Purchaser commits any breach of these terms and conditions or suffers distress or execution or becomes insolvent or commits an act of bankruptcy or enters into any arrangement or composition with its creditors or goes or is put into liquidation (other than solely for amalgamation or reconstruction while solvent) or if a receiver or administrator is appointed over any part of the Purchaser's business, the Seller may without prejudice to any rights which may have accrued or which may accrue to it, terminate the contract summarily by written notice.

## 19. Basis of Law

Any question relating to any quotation or contract subject to these conditions or agreed amendment of these conditions shall be determined in all respects by the laws of England and the parties irrevocably submit to the jurisdiction of the English courts.

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