

1. Scope; Exclusive Terms; Conditional Acceptance

These Terms govern all quotations, proposals, order acknowledgments, invoices, sales, and deliveries by Seller ("EPC"). EPC's acceptance of any order is expressly conditioned on Buyer's assent to these Terms only. Any additional or different terms in any Buyer purchase order, portal, or click-through are rejected and have no effect unless a separate agreement is signed by an authorized EPC officer.

2. Offer, Order, and Acceptance

Quotations are valid for the stated period (or 30 days if none). No order is binding unless EPC issues a written order acknowledgment. EPC's performance does not constitute acceptance of Buyer's terms.

3. Pricing; Taxes; Payment

Prices are as set forth in EPC's quotation or acknowledgment, exclusive of taxes, duties, freight, and handling. Payment is due Net 30 days from invoice date. Late amounts accrue interest at 1.5% per month or the maximum allowed by law, plus collection costs.

4. Delivery; Risk of Loss; Incoterms

Delivery dates are estimates only. Risk of loss transfers per Incoterms® 2020 [FCA EPC Facility] unless otherwise stated by EPC in writing. Partial shipments may be made and invoiced separately.

5. Inspection; Acceptance; Nonconforming Goods

Buyer must inspect within 10 days of delivery and notify EPC of any nonconformity with reasonable detail. Absent timely notice, goods are deemed accepted. EPC will, at its option, repair, replace, or credit nonconforming goods returned under RMA—this is Buyer's exclusive remedy.

6. Changes

No change to specifications, quantities, delivery schedule, or scope is binding unless confirmed by an EPC change order. Approved changes may adjust price, lead time, and other terms.

7. Cancellations; Reschedules

Buyer may not cancel for convenience without EPC's written consent. If consented, Buyer shall pay for work performed, materials committed, reasonable overhead, and a fair profit. Reschedules are subject to EPC capacity and may incur fees.

8. Title; Security Interest

Title transfers to Buyer only upon EPC's receipt of full payment. Until paid in full, EPC retains a purchase money security interest in the goods and proceeds; Buyer authorizes EPC to file financing statements.

9. Buyer-Furnished Materials & Tooling

Buyer-furnished items are held as a bailment at Buyer's risk. EPC-owned tooling and fixtures remain EPC property even if costs are amortized or separately invoiced.

10. Intellectual Property

EPC retains all background IP and work product (including drawings, CAD, software, firmware, and documentation). Upon full payment, Buyer receives a non-exclusive, non-transferable, royalty-free license to use

deliverables solely as integrated in purchased products. No source code or native design files are provided unless expressly agreed.

11. Confidentiality

Each party will protect the other's confidential information with reasonable care and use it only to perform the order. Obligations survive for 5 years (and indefinitely for trade secrets).

12. Compliance

Buyer will comply with applicable laws, including export controls, sanctions, anti-bribery, and environmental regulations, and will not export or re-export products contrary to law.

13. Warranties

Goods materially conform to EPC specifications and are free from material defects in materials and workmanship as defined in the EPC warranty policy at www.encoder.com/warranty-returns. Services will be performed in a professional manner. Exclusions include misuse, improper installation, alteration, third-party components, and failure to follow EPC instructions. EPC will repair, replace, or credit at its option.

14. Disclaimer

EXCEPT AS EXPRESSLY PROVIDED, EPC DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

15. Limitation of Liability

TO THE MAXIMUM EXTENT PERMITTED, EPC'S TOTAL LIABILITY SHALL NOT EXCEED THE AMOUNT PAID FOR THE SPECIFIC GOODS/SERVICES GIVING RISE TO THE CLAIM. EPC SHALL NOT BE LIABLE FOR INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, COVER, OR PUNITIVE DAMAGES, INCLUDING LOST PROFITS OR BUSINESS INTERRUPTION.

16. Indemnification by Buyer

Buyer will defend, indemnify, and hold EPC harmless from claims arising out of Buyer's misuse, modification, combination with other items, compliance with Buyer specifications, or breach of law or these Terms.

17. Force Majeure

EPC is not liable for delays or failures due to causes beyond its reasonable control, including shortages, labor issues, transportation disruptions, cyber events, acts of God, or government actions.

18. Returns

No returns without prior written RMA. Non-warranty returns may incur restocking charges. Items must be in original or equivalent packaging.

19. Publicity; Trademarks

Buyer shall not use EPC names or marks, or issue press releases, without EPC's prior written consent.

20. Data & Privacy

If Buyer provides personal data, Buyer represents it has a lawful basis and necessary notices. Additional data protection terms will be executed if legally required.

21. Assignment; Subcontracting

Buyer may not assign any order or rights without EPC's written consent. EPC may subcontract elements of performance but remains responsible for deliverables.

22. Notices; Electronic Transactions

Notices must be in writing and delivered to the addresses on the order acknowledgment (email acceptable with confirmed receipt). The parties agree to e-signatures.

23. Governing Law; Venue

These Terms are governed by the laws of the State of Idaho, excluding conflict rules and the U.N. CISG. Courts located in Bonner County, Idaho have exclusive jurisdiction; the parties waive jury trial.

24. Entire Agreement; Order of Precedence

These Terms, together with EPC's quotation and acknowledgment, constitute the entire agreement and supersede prior communications. Buyer's PO terms, portal terms, and click-throughs are expressly rejected unless a separate signed agreement states otherwise.