

## TERMS AND CONDITIONS

The items described in this document and other documents and descriptions provided by Clayborn Lab, ("Seller") are hereby offered for sale at the prices set forth on the Quotation to which these Terms and Conditions are attached. This offer and its acceptance by any customer ("Buyer") shall be governed by all of the following Terms and Conditions. Buyer's order for any item described in this document, when communicated to Seller verbally, or in writing, shall constitute acceptance of this offer. All goods, services or work described will be referred to as "Products".

1. **Terms and Conditions.** Seller's willingness to offer Products, or accept an order for Products, to or from Buyer is subject to these Terms and Conditions. Seller objects to any contrary or additional terms or conditions of Buyer's order or any other document issued by Buyer.

2. **Price Adjustments; Payments.** Prices stated on Seller's quote or other documentation offered by Seller are valid for 30 days, and do not include any sales, use, or other taxes unless specifically stated. Unless otherwise specified by Seller, all prices are F.C.A. Seller's facility (INCOTERMS 2010). Payment is subject to credit approval and is due 30 days from the date of invoice or such other term as required by Seller's Credit Department, after which Buyer shall pay a finance charge on any unpaid invoices at the rate of 1.5% per month or the maximum allowable rate under applicable law.

3. **Delivery Dates; Title and Risk; Shipment.** All delivery dates are approximate and Seller shall not be responsible for any damages resulting from any delay. Regardless of the manner of shipment, title to any products and risk of loss or damage shall pass to Buyer upon placement of the products with the shipment carrier at Seller's facility. Unless otherwise stated, Seller may exercise its judgment in choosing the carrier and means of delivery. No deferral of shipment at Buyers' request beyond the respective dates indicated will be made except on terms that will indemnify, defend and hold Seller harmless against all loss and additional expense. Buyer shall be responsible for any additional shipping charges incurred by Seller due to Buyer's acts or omissions.

4. **Warranty.**

A. Seller warrants that Products manufactured by Seller, when delivered, shall be free from defects in material/workmanship. Seller's obligations under this warranty shall be limited exclusively to repairing or replacing, at Seller's option, any part of Products which, if properly installed, used and maintained, proved to have been defective in material or workmanship within 1 year from the date of shipment. Seller warrants for a period of 1 year from the date of shipment that software or firmware, when used with Products, shall perform in accordance with Seller's published specifications. Seller makes no warranty, express or implied, that the operations of the software or firmware shall be uninterrupted or error-free, or that functions contained therein shall meet or satisfy the Buyer's intended use/requirements. Buyer shall notify Seller of any defect in the quality or condition of Products (including software/firmware) or Services within 7 days of the date of delivery or performance, unless the defect was not apparent on reasonable inspection, in which case, within 7 days after discovery of the defect. If Buyer does not provide such timely notification, it shall not be entitled to reject Products (including software/firmware) or Services, and Seller shall have no liability for such defect.

B. Seller's warranty obligations shall not apply to Products which (1) have been altered or repaired by someone other than Seller, or (2) have been subjected to misuse, neglect, or improper

use or application, or (3) are normally consumed in operation, or (4) have a normal life inherently shorter than the warranty period stated therein.

C. No Products may be returned unless authorized in advance by Seller, and then only upon such conditions to which Seller may agree. Buyer must obtain a Return Material Authorization (RMA) number from Seller prior to any return shipment, and such RMA number must appear on the shipping label and packing slip. Buyer shall be responsible for returned Products until such time as Seller receives the same at its facility, and for all charges for packing, inspection, shipping, transportation or insurance associated with returned Products.

D. This section 4 sets forth the exclusive remedies and obligations for claims based upon defects in or nonconformity of Products/Services, whether the claim is in contract, warranty, tort (including negligence of any degree or strict liability) or otherwise. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER ORAL, WRITTEN, EXPRESS, IMPLIED OR STATUTORY. NO IMPLIED OR STATUTORY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE SHALL APPLY.

5. **Claims; Commencement of Actions.** Buyer shall promptly inspect all Products upon delivery. No claims for shortages will be allowed unless reported to the Seller within 7 days of delivery. No other claims against Seller will be allowed unless asserted in writing within 7 days after delivery. Buyer shall notify Seller of any alleged breach of warranty within 7 days after the date the defect is or should have been discovered by Buyer. Any action based upon breach of this agreement or upon any other claim arising out of this sale (other than an action by Seller for an amount due on any invoice) must be commenced within 12 months from the date of the breach without regard to the date breach is discovered.

6. **LIMITATION OF LIABILITY.** UPON NOTIFICATION, SELLER WILL, AT ITS OPTION, REPAIR OR REPLACE A DEFECTIVE PRODUCT, OR REFUND THE PURCHASE PRICE. **IN NO EVENT SHALL SELLER BE LIABLE TO BUYER FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR AS THE RESULT OF, THE SALE, DELIVERY, NON-DELIVERY, SERVICING, USE OR LOSS OF USE OF THE PRODUCTS OR ANY PART THEREOF, OR FOR ANY CHARGES OR EXPENSES OF ANY NATURE INCURRED WITHOUT SELLER'S WRITTEN CONSENT, EVEN IF SELLER HAS BEEN NEGLIGENT, WHETHER IN CONTRACT, TORT OR OTHER LEGAL THEORY. IN NO EVENT SHALL SELLER'S LIABILITY UNDER ANY CLAIM MADE BY BUYER EXCEED THE PURCHASE PRICE OF THE PRODUCTS.**

7. **User Responsibility.** The user, through its own analysis and testing, is solely responsible for making the final selection of the system and Product and assuring that all performance, endurance, maintenance, safety and warning requirements of the application are met. The user must analyze all aspects of the application and follow applicable industry standards and Product information. If Seller provides Product or system options, the user is responsible for determining that such data and specifications are suitable and sufficient for all applications and reasonably foreseeable uses of the Products or systems. Fluoropolymer materials allow permeation of gases typically encountered in gas sampling and / or analysis applications. This may or may not affect the measurement accuracy attainable with the system. The buyer is responsible for system design and product specification that takes this into consideration and agrees that the seller is not responsible for problems in the buyers system that are related to the permeation of gases through the tube wall.

8. **Loss to Buyer's Property.** Any designs, tools, patterns, materials, drawings, confidential information or equipment furnished by Buyer or any other items which become Buyer's property, will be considered obsolete and may be destroyed by Seller after two consecutive years have elapsed without Buyer ordering the items manufactured using such property. Seller shall not be responsible for any loss or damage to such property while it is in Seller's possession or control.

9. **Buyer's Obligation; Rights of Seller.** To secure payment of all sums due or otherwise, Seller shall retain a security interest in the goods delivered and this agreement shall be deemed a Security Agreement under the Uniform Commercial Code. Buyer authorizes Seller as its attorney-in-fact to execute and file on Buyer's behalf all documents Seller deems necessary to perfect its security interest.

10. **Improper use and Indemnity.** Buyer shall indemnify, defend, and hold Seller harmless from any claim, liability, damages, lawsuits, and costs (including attorney fees), whether for personal injury, property damage, patent, trademark or copyright infringement or any other claim, brought by or incurred by Buyer, Buyer's employees, or any other person, arising out of: (a) improper selection, improper application or other misuse of Products purchased by Buyer from Seller; (b) any act or omission, negligent or otherwise, of Buyer; (c) Seller's use of patterns, plans, drawings, or specifications furnished by Buyer to manufacture Product; or (d) Buyer's failure to comply with these terms and conditions. Seller shall not indemnify Buyer under any circumstance except as otherwise provided.

11. **Cancellations and Changes.** Orders shall not be subject to cancellation or change by Buyer for any reason, except with Seller's written consent and upon terms that will indemnify, defend and hold Seller harmless against all direct, incidental and consequential loss or damage. Seller may change product features, specifications, designs and availability with notice to Buyer.

12. **Limitation on Assignment.** Buyer may not assign its rights or obligations under this agreement without the prior written consent of Seller.

13. **EXCUSABLE DELAYS.**

A. Seller shall not be liable for delays in delivery or failure to perform due directly or indirectly to causes beyond Seller's reasonable control including but not limited to: acts of God; war; terrorism; civil commotion; riots; embargoes; government regulations, orders, instructions or priorities; port congestion; acts of or failure to act on the part of Buyer or its agents/employees; fires; floods; sabotage; nuclear incidents; earthquakes; storms; epidemics; strikes; lockouts or other labor difficulties; shortages of or inability to timely obtain proper labor, materials, components, shipping space or transportation, fuel, supplies or power at current prices; or due to limitations imposed by the extent of availability of seller's normal manufacturing facilities.

B. If a delay excused per the above extends for more than 90 days and the parties have not agreed upon a revised basis for continuing providing Products/Services at the end of the delay, including adjustment of the price, then either party (except where delay is caused by Buyer, in which event only Seller) upon thirty (30) days' notice may terminate the Order with respect to the unexecuted portion of the Products/Services, whereupon Buyer shall promptly pay Seller its reasonable termination charges upon submission of Seller's invoices thereof.

14. **Waiver and Severability.** Failure to enforce any provision of this agreement will not waive that provision nor will any such failure prejudice Seller's right to enforce that provision in the future. Invalidation of any provision of this agreement by legislation or other rule of law shall not invalidate any other provision herein. The remaining provisions of this agreement will remain in full force and effect.

15. **Termination.** Seller may terminate this agreement for any reason and at any time by giving Buyer thirty (30) days written notice of termination. Seller may immediately terminate this agreement, in writing, if Buyer: (a) commits a breach of any

provision of this agreement (b) appointments a trustee, receiver or custodian for all or any part of Buyer's property (c) files a petition for relief in bankruptcy on its own behalf, or by a third party (d) makes an assignment for the benefit of creditors, or (e) dissolves or liquidates all or a majority of its assets.

16. **Governing Law.** This agreement and the sale and delivery of all Products hereunder shall be deemed to have taken place in and shall be governed and construed in accordance with the laws of the State of California, as applicable to contracts executed and wholly performed therein and without regard to conflicts of laws principles. Buyer irrevocably agrees and consents to the exclusive jurisdiction and venue of the Superior Court of Placer County, California with respect to any dispute, controversy or claim arising out of or relating to this agreement.

17. **Indemnity for Infringement of Intellectual Property Rights.** Seller shall have no liability for infringement of any patents, trademarks, copyrights, trade dress, trade secrets or similar rights except as provided in this Section. Seller will defend and indemnify Buyer against allegations of infringement of U.S. patents, U.S. trademarks, copyrights, trade dress and trade secrets ("Intellectual Property Rights"). Seller will defend at its expense and will pay the cost of any settlement or damages awarded in an action brought against Buyer based on an allegation that a Product sold pursuant to this Agreement infringes the Intellectual Property Rights of a third party. Seller's obligation to defend and indemnify Buyer is contingent on Buyer notifying Seller within ten (10) days after Buyer becomes aware of such allegations of infringement, and Seller having sole control over the defense of any allegations or actions including all negotiations for settlement or compromise. If a Product is subject to a claim that it infringes the Intellectual Property Rights of a third party, Seller may, at its sole expense and option, procure for Buyer the right to continue using the Product, replace or modify the Product so as to make it non-infringing, or offer to accept return of the Product and return the purchase price less a reasonable allowance for depreciation. Notwithstanding the foregoing, Seller shall have no liability for claims of infringement based on information provided by Buyer, or directed to Products delivered hereunder for which the designs are specified in whole or part by Buyer, or infringements resulting from the modification, combination or use in a system of any Product sold hereunder. The foregoing provisions of this Section shall constitute Seller's sole and exclusive liability and Buyer's sole and exclusive remedy for infringement of Intellectual Property Rights.

18. **Entire Agreement.** This agreement contains the entire agreement between the Buyer and Seller and constitutes the final, complete and exclusive expression of the terms of sale. All prior or contemporaneous written or oral agreements or negotiations with respect to the subject matter are herein merged.

19. **Compliance with Law, U. K. Bribery Act and U.S. Foreign Corrupt Practices Act.** Buyer agrees to comply with all applicable laws and regulations, including both those of the United Kingdom and the United States of America, and of the country or countries of the Territory in which Buyer may operate, including without limitation the U. K. Bribery Act, the U.S. Foreign Corrupt Practices Act ("FCPA") and the U.S. Anti-Kickback Act (the "Anti-Kickback Act"), and agrees to indemnify and hold harmless Seller from the consequences of any violation of such provisions by Buyer, its employees or agents. Buyer acknowledges that they are familiar with the provisions of the U. K. Bribery Act, the FCPA and the Anti-Kickback Act, and certifies that Buyer will adhere to the requirements thereof. In particular, Buyer represents and agrees that Buyer shall not make any payment or give anything of value, directly or indirectly to any governmental official, any foreign political party or official thereof, any candidate for foreign political office, or any commercial entity or person, for the purpose of influencing such person to purchase products or otherwise benefit the business of Seller.