

VACCO INDUSTRIES TERMS AND CONDITIONS OF SALE

Revised (2/14)

1. **Acceptance:** The sale of goods is expressly conditional on Buyer's acceptance of Seller's terms and conditions as stated herein and on the typed portion of the referenced quotation, unless otherwise specified in writing. Provided that Seller's terms and conditions have not been previously accepted by Buyer, Buyer's receipt of goods shipped under this Agreement is acceptance of these terms and conditions.
2. **Documentation:** Seller shall provide Buyer with that data/documentation which is specifically identified in the Quotation. Additional copies of data/documentation or requests for unique data documentation will cause Seller additional expense and will be made available to Buyer at additional cost.
3. **Order Changes:** Buyer's changes made after Seller's acceptance of the order that affect the specifications or configurations of the goods or otherwise affect the scope of the order shall be submitted in writing by Buyer and shall become binding only if approved in writing by Seller's cognizant contract administrator. All charges and shipping delays resulting from such changes shall be solely determined by Seller and shall be binding upon Buyer.
4. **Termination and Suspension:** Provided that Seller receives adequate written notice from Buyer, Buyer may terminate or suspend performance at Buyer's convenience subject to all reasonable charges, which charges shall be solely determined by Seller.
5. **Tax:** All government charges upon the production, shipment and sale of goods covered by this Agreement, including, but not limited to, use, occupation, export and import taxes, shall be paid by Buyer or, in lieu thereof, Buyer shall furnish Seller with a tax exemption certificate acceptable to the authority imposing the tax on Seller.
6. **Credit Terms:** Provided that, in Seller's opinion, there is a material adverse change in Buyer's financial condition and/or Buyer has not, within the agreed time, fully paid for goods previously shipped under this and/or another agreement (s) with Seller, Seller reserves the right to revoke Buyer's credit and/or suspend performance on this and/or other orders and future shipments.
7. **Inspection:** Buyer may make reasonable inspections of goods at Seller's factory. Seller reserves the right to determine the reasonableness of the request and to select an appropriate time and location for such inspection. All costs of inspection shall be solely determined by Seller and shall be to Buyer's account. Inspection of Seller's sub-tier suppliers shall be coordinated, approved and attended with the seller's representative.
8. **Risk of Loss:** All sales are F.O.B. Origin. Shipping contracts made by Seller shall be to Buyer's account. All claims for loss or damage after risk of loss has passed to Buyer shall be filed by Buyer with the carrier. Buyer shall be liable to Seller for the full price of the goods, irrespective of loss or damage in transit. Seller shall not be required to provide freight cost receipts to Buyer at the time of invoice.
9. **Late Payments:** All discount periods begin on the invoice date and all payments are due 30 days after the invoice date. A service charge of 1.5% shall be charged for each month and portion thereof that payments are received later than 30 days after the invoice date Buyer and Seller agree that the laws of the State of California govern this Agreement. However, if it is judicially determined that a different law governs this clause of this Agreement, the service charge shall be the maximum amount permitted under such law.
10. **Warranty:** Goods manufactured by Seller are warranted to be free from defects in workmanship and material under normal use and service for a period of twelve (12) months from the date of shipment by Seller. Goods or part(s) proven by Seller to be defective in workmanship and/or material shall be replaced or repaired (Seller's option), free of charge F.O.B. Origin provided that the goods or part(s) are returned to Seller's designated factory, transportation charges prepaid, within the twelve (12) month period of this warranty. This warranty shall be in effect for replacement of repaired goods or part(s) for the remaining portion of the twelve (12) month period of this warranty.

In consideration of the herein stated purchase price of the goods, Seller grants only the above stated express warranty. No other warranties are granted including, but not limited to, express and implied warranties of merchantability and fitness for a particular purpose.

For VACCO Industries products, the foregoing warranty provision shall apply except with respect to Consumables. Consumables which include glass electrodes, membranes, liquid junctions, electrolyte, O-rings, etc. are warranted to be free from defects in workmanship and material under normal use and service for a period of ninety (90) days from date of shipment by seller.

11. **Limitations of Remedy:** Seller shall not be liable for damages caused by delay in performance. The sole and exclusive remedy for breach of warranty shall be limited to repair or replacement under the standard warranty clause. In no case, regardless of the form of the cause of action, shall Seller's liability exceed the price to Buyer of the individual hardware manufactured by Seller giving rise to the cause of action. Buyer agrees that in no event shall Seller's liability extend to include incidental or consequential damages. Consequential damages shall include, but not be limited to, loss of anticipated profits, loss of use, loss of revenue, cost of capital and damage or loss of other property or equipment. In no event

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shall Seller be liable for property damage and/or third party claims covered by umbrella insurance and/or indemnity coverage provided to Buyer, its assigns, and each successor in interest to the goods provided hereunder.

12. Force Majeure: Seller shall not be liable for failure to perform due to labor strikes or acts beyond Seller's direct control.

13. Patents: Seller shall defend any suits brought against the Buyer based on a claim that the goods manufactured by Seller constitute an infringement of a valid patent of the United States, and shall pay any damages and reasonable costs awarded therein against Buyer, provided that Buyer promptly notifies Seller in writing and gives authority, information and assistance to Seller for the defense of such suit. In the event that only the goods manufactured by Seller are held to be infringing in such suit and their use is enjoined, Seller shall, at Seller's expense, provide a commercially acceptable alternative, including, but not limited to, procuring for Buyer the right to continue using the goods, replacing them with a non-infringing product or modifying them so they become non- infringing. Buyer agrees that Seller shall not be liable and that Buyer shall fully indemnify Seller if infringement is based upon the use of the goods in connection with goods not manufactured by Seller or in a manner for which the goods were not designed by the Seller or if the goods were designed by the Buyer or were modified by or for the Buyer in a manner to cause them to become infringing.

14. General Provisions: (a) Neither party shall have the right to assign its rights or obligations under this Agreement except with the written consent of the other party, provided, however, that a successor in interest by merger, by operation of law, assignment, purchase, or otherwise of the entire business of either party, shall acquire all interest of such party hereunder. Any prohibited assignment shall be null and void. (b) There are no understandings, agreements or representations, expressed or implied, not specified in this Agreement. (c) No action, regardless of form arising out of transactions under this Agreement, may be brought by either party more than two (2) years after the cause of action has accrued. (d) No representative of Seller has any authority to modify these terms and conditions unless the modification is contained in a written instrument signed by a duly authorized representative of Seller. (e) This Agreement is formed and shall be construed under the laws of the State of California. (f) Any arbitration required in the performance of the contract shall occur in California, USA. The enforcement of any award resulting from arbitration shall be governed by the rules of procedure in force in the state of California, USA. (g) All typographical and clerical errors in quotations and specifications may be corrected at any time by Seller.

15. Conflict Minerals:

(a) Supplier acknowledges that as a subsidiary of a public company which files reports with the U.S. Securities and Exchange Commission, Buyer is required by Section 1502 of the Dodd-Frank Act (the "Conflict Minerals Law") (a) to determine and disclose whether any tantalum, tungsten, tin or gold ("Conflict Minerals") necessary to the functionality or production of the Buyer's products originated from the Democratic Republic of the Congo or any adjoining country; and (b) if any Conflict Minerals did originate in the DRC or an adjoining country, to disclose the due diligence measures Buyer has taken to identify the source of the Conflict Minerals used in its products.

(b) Supplier agrees to cooperate with Buyer from time to time, at no additional cost to Buyer, in Buyer's reasonable due diligence investigations to determine the existence and origin of Conflict Minerals contained in any products, parts, or materials delivered to Buyer under this Agreement ("Seller's Products") in order to enable Buyer to comply with its disclosure and reporting obligations under the Conflict Minerals Law. Such due diligence may include but shall not be limited to assisting Buyer in conducting a "reasonable country-of-origin inquiry" on such Conflict Minerals or completing and submitting to Buyer such questionnaires or templates relating to the origin of Conflict Minerals contained in Seller's Products, as Buyer shall request.