

Purchasing Terms and Conditions

1. Orders, agreements relating thereto, modifications thereof, and additions thereto will only be binding upon us if they have been placed or confirmed as the case may be in writing by our Purchasing Department. Execution of said orders and agreements shall take place solely on the basis of these general terms and conditions of purchase. Any reference to the general conditions of the supplier is hereby expressly rejected by us. All orders placed by us are conditional offers to purchase which require acceptance of these general terms and conditions of purchase. Your acceptance of our orders is acceptance that these general terms and conditions of purchase are the sole agreement between us regarding your sale and our purchase of goods.

2. Unless otherwise agreed in writing, the goods shall be shipped 'CIP' destination (Incoterms 2015).

3. Unless expressly agreed upon otherwise in writing, the risk of loss shall pass only upon delivery to us according to 'CIP' destination (Incoterms 2015).

4. The supplier shall execute the order at the time or times agreed upon. In the event of early execution of all or part of the order, which is permitted only with our prior written approval, payment will nevertheless be effected as if the initially agreed time(s) had been adhered to.

5. THE SUPPLIER HEREBY WARRANTS THAT ALL GOODS DELIVERED SHALL BE MERCHANTABLE, FIT FOR THE PURPOSE FOR WHICH THEY ARE DESIGNED, SHALL NOT INFRINGE THE INTELLECTUAL PROPERTY RIGHTS OF ANY OTHER PARTY, IN CONFORMITY WITH OUR SPECIFICATIONS AND APPROVED SAMPLES, AND FURTHER THAT THE GOODS ARE OF SOUND WORKMANSHIP, OF GOOD QUALITY AND FREE FROM DEFECTS IN DESIGN, MANUFACTURE, AND MATERIAL. SUPPLIER FURTHER WARRANTS THAT THE GOODS AND THEIR PERFORMANCE SHALL SATISFY MANDATORY REGULATIONS RELATING TO INTER ALIA HEALTH, SAFETY, THE ENVIRONMENT AND ELECTROMAGNETIC INTERFERENCE, VALID IN THE COUNTRY OF MANUFACTURE AND IN THE COUNTRY FOR WHICH THE GOODS ARE DESTINED. WHERE THE ORDER PROVIDES FOR INSTALLATION, ASSEMBLY, COMMISSIONING, OR ANY OTHER WORK TO BE CARRIED OUT BY THE SUPPLIER, THE SAME SHALL BE EXECUTED WITH GOOD WORKMANSHIP. THE SUPPLIER SHALL EXECUTE THE WORK WITH AN

ADEQUATE OR THE AGREED NUMBER OF PERSONS AND QUANTITIES OF MATERIAL, COMPONENT PARTS, EQUIPMENT, AND TOOLS OF ADEQUATE OR THE AGREED QUALIFICATIONS OR QUALITY AS THE CASE MAY BE. THE SUPPLIER GUARANTEES THAT THE WORK SHALL BE EXECUTED IN ACCORDANCE WITH THE AGREED REQUIREMENTS AND THAT THE RESULTS INTENDED TO BE ACHIEVED ACCORDING TO THE ORDER WILL BE MET.

6. We shall be entitled to inspect the goods intended for delivery to us in the factory of the supplier. Such inspection does not imply delivery, taking-over, or acceptance of those goods. The goods remain for the account and at the risk of the supplier until the risk has passed to us in accordance with the agreed terms of delivery.

7. We shall be entitled to inspect the goods upon arrival at the ultimate place of destination and upon completion of any installation, assembling, erecting, commissioning, or other work to be carried out pursuant to the order within a reasonable period of their completion in order to ascertain the warranties specified in point 5 are complied with, and whether the goods are acceptable to us. In case of shortcomings which we could not reasonably discover or which could not have been discovered during a thorough inspection, we shall be entitled to reject the goods even after expiration of the said reasonable period taking into account the provisions as set forth herein below. In the event of rejection, we shall inform the supplier as soon as possible in writing thereof, giving the reason which led to the rejection. At our discretion, rejected goods will be returned by us to the supplier or retained by us until further instructions as to their disposal. Title and risk of loss for rejected goods will pass to the supplier from the moment of dispatch of said written notice of rejection to the supplier. The supplier shall repay to us on our demand, without delay and without any deduction, all amounts prepaid by us relating to the goods, or works, or services rejected.

8. Unless otherwise agreed in writing, payment shall be effected after the order has been duly executed and after receipt of the relevant invoice in accordance with the agreed payment terms unless we have objected to the way in which the order has been executed. Payment shall be without prejudice to any of our rights.

9. We shall be entitled to offset amounts due to us to the supplier, with amounts due to the supplier (and/or companies being part of the same group). Where, in the event of offset, amounts are quoted in different currencies, we shall decide in which of these currencies the offset shall be affected. Conversion shall be effected at the rate of exchange valid at the due date of payment of the relevant invoice(s).

10. The supplier shall transfer to us all right, title, and interest in all models, dies, molds, jigs, gauges, tools, and drawings specifically acquired or manufactured by the supplier for the execution of our order immediately upon the same having been supplied to him or the manufacture by him having been completed. This transfer shall be effected by a written bill of sale provided by us. Where the supplier acquires such items from third parties we shall pay the supplier if this has been agreed but only after the supplier has produced evidence that he has fully paid therefore and only upon supplier's execution of a bill of sale to us covering such goods. The supplier shall retain such items as our bailee. All such items including materials and components which we put at the supplier's disposal for the execution of our order will remain our property under all circumstances. We reserve at all times and under all circumstances the right to take them back whether or not the same have been processed and/or used by the supplier against reimbursement of direct and documentable processing costs, if due by us. The supplier shall store such materials and components separately and he shall clearly mark all such other items as our property. Supplier shall inform any third parties who might seek recourse on our materials and components of our property right, and shall immediately inform us of such an eventuality. The supplier shall not use such items nor will he allow such items nor will he allow them to be used by or on behalf of third parties for or in connection with any purpose other than the execution of our order.

11. Where the order provides for installation, assembly, commissioning, or any other work to be carried out by the supplier, the same shall be carried out at his cost, expense, and risk, either by himself or by himself or by any third parties on his behalf, the latter however being subject to our consent. In case the supplier intends to use any third parties for the execution of the order he will inform us thereof without delay.

The supplier shall take all precautions necessary to ensure that the work is carried out in accordance with mandatory and other regulations applicable where the same is carried out and supplier shall be solely liable for injuries and damages to persons and property inflicted as a result of the said work and will indemnify us for all damages, costs, and claims resulting from any negligence or act or omission on the part of the supplier, the above mentioned parties and persons used by the supplier and such third parties. The supplier shall secure at his own expense, sufficient insurance as necessary to cover the indemnification obligations and shall produce satisfactory evidence thereof on demand.

12. The supplier shall additionally indemnify us against all fines, losses, damages, costs, and expenses arising from or related to any breach of supplier's warranties herein, including, but not limited to, any claims arising from any actual or alleged infringement

of any patent, copyright, trademark, or other industrial or intellectual proprietary rights as a result of the use, processing, sale, storage, or lease of the goods supplied by supplier except to the extent that the same is solely the result of supplier's compliance with our specific design requirements.

13. Where pursuant to our order goods are to be provided with one or more trademarks owned by us or with trademark(s) which we are entitled to apply or have applied, the supplier shall not in any way by implication or otherwise claim any title to such trademark(s) or similar or related trademark(s). Only goods so ordered by us shall have such trademark(s) applied to them. The supplier shall adhere to our instructions with respect to dimensions, positioning, and other aspects related to said trademark(s). All use of our trademark as permitted to brand the goods inures solely to our benefit.

14. When offering for transport or transporting dangerous goods, the supplier shall strictly adhere to statutory provisions and provisions of international treaties, conventions, and agreements relating to the transport of goods applicable in the countries (to be communicated by us or otherwise reasonably known to the supplier) where the goods will be transported. The supplier shall provide us with such written information regarding the composition of dangerous goods so that transport, warehousing, and processing thereof may be effected in compliance with the relevant provisions of laws, international treaties, conventions, and agreements applicable in the countries referred to in the following paragraph. The supplier will not be released from his obligation under point 14 by relying on information provided by us regarding the above mentioned provisions.

15. All data and information obtained from us whether verbally or in writing shall be applied by the supplier for the execution of our order(s) only. All such data and information shall remain our property and if in written form shall be returned to us immediately upon our first request, together with all copies thereof. All data and information shall be kept in strictest confidence by the supplier and he shall not refer thereto nor to the fact that he supplies or has supplied us in publications, advertisements, or other verbal or written form unless with our prior written approval. Should the supplier create any new works of authorship using any data and information obtained from us, then the supplier hereby assigns to us, from the moment of creation, all right, title, and interest in and to such works of authorship and to all copyrights and possessory rights therein.

16. The Equal Opportunity Clauses required by Executive Order 11246, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, 38 U.S.C. 4212 (formerly 2012),

Section 503 of the Rehabilitation Act of 1973, Executive Order 13201, as amended, and their implementing regulations at 41 CFR Chapter 60 (41 CFR 60-1.4, 41 CFR 60-250.5, CFR 60 300.5, and 41 CFR 60-741.5 respectively) are part of this purchase order and binding upon the Seller (Subcontractor, Vendor, or Supplier).

17. USD Lab reserves the right to cancel any Purchase Order at any time prior to shipment of the goods and shall not be subject to any charges or other fees whatsoever as a result of such cancellation. USD Lab may by written communication make changes to any purchase order subject to a mutually agreed equitable adjustment in the price, delivery schedule, or both, where appropriate. USD Lab reserves the right to cancel the purchase order upon any failure to agree to such adjustments.

18. Failure by the supplier to perform within the agreed time or times, to adhere to the agreed quantities, to comply with the warranties pursuant to point 5 hereof, or otherwise to perform any of the obligations pursuant to this order and agreement(s) relating thereto shall entitle us at our option, which shall be communicated to supplier in writing:

- A. To give the supplier the opportunity to remedy his failure within a period of time to be fixed by us, or
- B. To cancel the order at our option wholly or partially without notice of default: we shall also be entitled to cancel the order in the same manner in the event that the supplier shall not have remedied his failure within the period of time fixed by us in accordance with point 17 above, provided always that we shall be entitled to be indemnified by the supplier for all losses, damages, costs, and expenses including fines which we may incur directly or indirectly as a result of such failure.

19. Our failure to insist on the supplier's compliance with any of his obligations shall not be construed as a waiver or relinquishment of our right at any time to invoke strict compliance with such obligations.

20. This order and agreement relating thereto shall be governed and construed in accordance with the laws of the State of California.

21. The UN convention on international Sale of Goods shall not apply.

22. All disputes arising out of this order and agreements relating thereto shall be determined only and exclusively by the State or Federal courts in the State of California

and both supplier and USD Lab hereby submit to the exclusive jurisdiction of the State or Federal courts in the State of California.