

Stable Laser Systems Inc

Terms and Conditions of Sale

February 2 2015

1. Agreement

a. Except as may be expressly stated otherwise in the final offer, final quote or other final proposal submitted to Buyer by Seller in writing, by fax or by email ("*Final Proposal*"), these Terms and Conditions shall apply with respect to the supply of all products and components and parts therefore ("*Products*") and/or the provision of all services ("*Services*") by or through Stable Laser Systems Inc ("*Seller*") to (i) any person or entity to whom these Terms & Conditions are furnished or made available with an offer, quote or proposal submitted by Seller, through Seller's website, or otherwise and (ii) any person or entity affiliated with any person or entity to whom these Terms & Conditions are furnished or made available (collectively, "Buyer"). The Final Proposal and these Terms and Conditions together shall constitute the full, complete and final agreement and understanding between Buyer and Seller with respect to the supply of Products and/or the provision of Services by or through Seller. These Terms and Conditions together with the Final Proposal constitute the "*Agreement*", *provided, however*, that to the extent there is any conflict between these Terms and Conditions and the Final Proposal, the provisions of the Final Proposal shall control over the provisions of these Terms and Conditions. All Products supplied and all Services provided by or through Seller will be deemed to be supplied and provided solely upon and subject to the provisions of the Agreement, unless Buyer and Seller have negotiated and signed a separate formal written agreement for the supply of Products and/or the provision of Services that specifically refers to the Agreement and expressly states that it controls over the Agreement (an "*Other Agreement*"), in which event, if there should be any conflict between such Other Agreement and the Agreement, the provisions of such Other Agreement will control, but solely with respect to the particular Products supplied and/or the particular Services provided under such Other Agreement.

b. Seller objects to and rejects any provisions of any documentation submitted by or on behalf of Buyer, including but not limited to, any request for proposal, statement of work, purchase order, terms and conditions, release or shipping documents ("*Buyer Documentation*"), that differ from the provisions of the Agreement. No acknowledgement or acceptance by Seller of any Buyer Documentation shall create an Other Agreement or otherwise constitute acceptance of or agreement to any provisions of any Buyer Documentation that differ from the provisions of the Agreement. Seller's acknowledgment of Buyer Documentation shall merely constitute an acknowledgement of Seller's receipt of such Buyer Documentation and Seller's acceptance of Buyer Documentation shall merely constitute an acknowledgement of the particular Products and/or Services ordered by Buyer, the dates requested by Buyer for shipment or delivery of such Products and/or performance of such Services, the instructions of Buyer for shipment of such Products, and/or the price to be paid for such Products and/or Services, in each case, (i) only to the extent consistent with the provisions of the Agreement and (ii) without constituting acceptance of or agreement to any terms or conditions set forth or referenced in such purchase order that differ from the provisions of the Agreement.

c. The Agreement may be amended, modified or superseded only in a written instrument signed by Buyer and Seller that specifically refers to the Agreement and expressly states that it amends the Agreement.

2. Orders and Releases

Once accepted by Seller, an order or release from Buyer for Products or Services may be suspended, delayed or cancelled by Buyer only with the written approval of Seller. Seller may impose cancellation and other charges in connection with the suspension, delay or cancellation of an order or release for Products and Services, and, in addition to any other rights and remedies, may require that Buyer (i) purchase from Seller any and all completed custom or non-standard Products produced for such order or release, and any quantities of other completed Products produced for such order or release that exceed the quantities of such other Products that can be readily sold by Seller to third parties, and (ii) reimburse Seller for its inventory cost of any and all work-in-process, materials, components or parts for such order or release that cannot be readily used or reworked for other products that can be readily sold by Seller to third parties, any reworking costs related to reworking work-in-process, materials, components or parts for such order or release, and any cancellation and other charges payable to suppliers of materials, components or parts for such order or release.

3. Price and Surcharges

The prices and surcharges for Products and Services shall be the relevant prices and surcharges set forth in or determined in accordance with the Final Proposal. Unless stated otherwise in the Final Proposal, all prices are FCA (Incoterms 2000) Seller's facility, and all prices are net prices to Seller and do not include any freight, shipping, special

packaging or handling, insurance, or taxes, levies, duties, tariffs, customs or other fees or charges of any nature imposed by any governmental authority, all of which (including any related withholding) will be the sole responsibility of and be required to be paid by Buyer. In the event Seller pays any freight, shipping, special packaging or handling, insurance, or taxes, levies, duties, tariffs, customs or other fees or charges that are the responsibility of Buyer, Seller may invoice Buyer therefore. Buyer's refusal or inability to accept or take delivery of Products shall not excuse Buyer from making payment for Products.

4. Payment Terms

Seller may invoice Buyer for Products upon shipment, and Seller may invoice Buyer for Services upon performance; *provided, however*, that (i) if Buyer requests a delay in shipment of Products, Seller may invoice Buyer for such Products prior to shipment, and (ii) if Buyer requests a delay in performance of Services, Seller may invoice Buyer for or such Services prior to performance. Unless provided otherwise in the Final Proposal, all payments must be made to Seller in the same currency as the relevant prices. If payment terms are stated in a Final Proposal, the payment terms for Products and Services shall be the payment terms stated in the Final Proposal. If payment terms are not stated in a Final Proposal, the payment terms for Products and Services shall be net thirty (30) days after date of invoice. Whether or not payment terms are stated in a final Proposal, Seller reserves the right, in its sole discretion, to require payment for Products in advance of production, in advance of shipment (*e.g.*, C.I.A.), or upon delivery (*e.g.*, C.O.D.) and to require payment for Services in advance of performance, if and whenever the account of Buyer or any of its affiliated entities with Seller or any of its affiliated entities is not current or Seller feels insecure concerning its receipt of payment. Payments by wire transfer shall be made in accordance with the wire transfer instructions set forth in Seller's invoice. Payments by check shall be sent to the payment location specified in Seller's invoice and otherwise be made in accordance with the payment instructions set forth in Seller's invoice. Each shipment of Products shall be considered a separate and independent transaction for which Buyer must make payment. If any amount payable to Seller by Buyer is not paid when due, Seller shall be entitled to recover from Buyer all attorneys fees and other costs and expenses it may incur in seeking to collect such past due amount and shall have the right to impose on Buyer a late charge on the past due amount from the date due until paid at the rate of 2% per month or, if less, the highest rate permitted by law. Seller may pursue a collection action against Buyer in any court of competent jurisdiction to collect any past due amount.

5. Security for Payment

To secure the due and punctual payment of the price for Products and Services and other amounts payable to Seller by Buyer, Seller shall have and retain, and Buyer grants to Seller, a first lien and security interest in all Products, in all Other Products (as defined in Paragraph 9 (Other Products) below), and in all proceeds in respect of Products and Other Products. If the price for any Products or Services or any other amount payable to Seller by Buyer is not paid when due, Seller shall have and may exercise any and all rights and remedies of a secured party under Applicable Law and any and all other rights and remedies it may have by contract, at law or in equity. In addition to the rights and remedies it may have under Applicable Law or otherwise have by contract, at law or in equity, Seller shall have the right to withhold shipment of Products, to recall and retake Products, to repossess Products, to take possession of Other Products, and to direct Buyer's customers to make payment directly to Seller for Products and Other Products, all without notice to Buyer and without initiating any legal proceedings. Seller shall have the right to execute such documents, make such filings and take such other actions in its own name and/or in the name of Buyer and to require Buyer to make such filings, execute such documents and take such other actions, as Seller may deem necessary or appropriate from time to time to evidence and confirm its first lien and security interest and exercise its rights and remedies as a secured party.

6. Shipment, Delivery and Performance

Seller will ship Products to the address and endeavor to use the carrier specified by Buyer in the relevant Buyer Documentation. If the relevant Buyer Documentation specifies "common carrier" or no carrier is specified, the Products will be shipped via such means as Seller selects in its sole discretion. All quoted, proposed, agreed and scheduled shipment, delivery and performance dates are merely estimates, and Seller shall have no liability or responsibility for any penalties or damages in connection with late shipment or delivery of Products or late performance of Services. Shipments and deliveries of Products and performance of Services may be made in installments in Seller's sole discretion. Title and all risk of loss or damage to each Product shall pass to Buyer upon deposit of such Product with the carrier for shipment, and Seller shall have no liability or responsibility for any loss or damage to a Product after such Product is deposited with the carrier for shipment. If Buyer requests a delay in shipment of Products, Seller may impose storage and handling charges in connection with the delay. Any claim that the wrong Product or the wrong quantity of Product was shipped must be asserted within 30 days of the date of shipment, and, unless written notice of a wrong Product or a wrong quantity of Product is received by Seller within

30 days after the date of shipment, Buyer shall be barred from asserting any claim for wrong Product or wrong quantity of Product in connection with a shipment.

7. Software

To the extent that any Product or Service includes software in any form, including firmware (“Software”), such software is not sold to Buyer or its customers, but is only licensed on a limited, non-exclusive basis in the form delivered by Seller for use by Buyer and its customers with such Products or Services. In the case of Software, all references in these Terms and Conditions or any offer, quote or other proposal to "sell," "purchase" or the like will be deemed to mean a license to use such Software as provided in this Paragraph 7. Buyer shall not, and Buyer shall take reasonable measures to ensure that its customers do not, duplicate, distribute, modify, reverse-engineer or derive the source code for any Software, remove any copyright or other notices from any Software, or use any Software in any way except as authorized by Seller.

8. Prototypes, Drawings, Etc.

As between Buyer and its customers, on the one hand, and Seller, on the other hand, Seller shall own and retain all right, title and interest in and to all prototypes, drawings, schematics, designs, specifications, samples, molds and other tooling, and technical documentation that may be prepared, created or provided wholly or partially by Seller in connection with any Products or Services (“Prototypes, Drawings, Etc.”), notwithstanding any suggestion or other contribution that Buyer or any of its customers may make relative to improvements in, or changes with respect to, such Prototypes, Drawings, Etc, may be used only for Products supplied by Seller and Services provided by Seller and only as authorized by Seller, and Buyer shall not, and Buyer shall take reasonable measures to ensure that its customers do not, attempt to use Prototypes, Drawings, Etc. other than for Products supplied by Seller and Services provided by Seller or in any other manner attempt to misuse or misappropriate any Prototypes, Drawings, Etc.

9. Other Products

In the event that any Product is incorporated or installed in, or combined with, another product, component or part (“Other Product”): (i) Seller shall have no risk, liability, obligation or responsibility of any kind with respect to such Other Product, and (ii) Buyer shall be solely liable, obligated and responsible for all Other Products in which it may incorporate or install, have a third party incorporate or install, or authorize a third party to incorporate or install any Products and/or with which it may combine, have a third party combine, or authorize a third party to combine any Products.

10. Limited Warranty - Products

a. Seller warrants to Buyer that (i) each Product will be free of defects in workmanship and material, and (ii) if the Final Proposal states that a Product is to conform to specified drawings or samples or be made of specified materials, such Product will conform within any specified or customary tolerances to the specified drawings and samples and be made of the specified materials.

b. In the event of a breach of the warranty set forth in subparagraph a above, Buyer must notify Seller thereof within the warranty period for such Product. Unless Buyer notifies Seller of a breach of the warranty set forth in subparagraph a above within the warranty period for a Product, Seller shall have no liability or obligation with respect to a breach of the warranty set forth in subparagraph a above.

c. If a warranty period is stated in a Final Proposal, the warranty period for a Product shall be the warranty period stated in the Final Proposal. If a warranty period is not stated in a Final Proposal, the warranty period for a Product shall be one (1) year. The warranty period for each Product commences on the date such Product is deposited by Seller with the carrier for shipment.

d. Buyer's sole and exclusive right and remedy, and Seller's sole and exclusive liability and obligation, for a breach of the warranty set forth in subparagraph a above shall be that Seller will either repair or replace the relevant Product or refund or credit to Buyer the price Buyer paid therefore. **Seller reserves the right to use reconditioned parts for warranty repairs and to use reconditioned Products for warranty replacements.** The decision whether to repair, replace, refund or credit or to use reconditioned parts or Products shall be made by Seller in its sole discretion. Repaired Product and replacement Product shall be warranted only for the remainder of the original warranty period.

e. Seller shall have the right to require that a Product that is the subject of a warranty claim be returned to Seller for inspection and evaluation. In returning Products, Buyer shall comply with Seller's Return Goods Policy (See Paragraph 15 (Returns) below).

f. The warranty set forth in subparagraph a above will not apply, and Buyer shall have no right or remedy and Seller shall have no liability or obligation under the warranty set forth in subparagraph a above, if: (i) a Product is altered, changed, modified or tampered with in any way, other than an alteration, change or modification made by or with the authorization of Seller; (ii) a Product is damaged after deposit with the carrier for shipment; (iii) a Product is not used

and maintained in accordance with Seller's recommended operating and maintenance manuals, instructions and procedures, if any; (iv) a Product is not properly incorporated or installed in, or not properly combined with, an Other Product; (v) the issue with a Product is directly or indirectly attributable to, or directly or indirectly results from or arises out of, a failure, substandard performance or other issue with another product, component or part not supplied by Seller; (vi) the issue with a Product is directly or indirectly attributable to, or directly or indirectly results from or arises out of, compliance with any design, specification or other specific requirement of Buyer; (vii) a Product is used in a manner, with a substance or for a purpose other than the normal manner, substance and purpose for which it is intended or is otherwise subjected to abnormal use or service; (viii) a Product is subjected to a power surge, brown out or other similar occurrence; (ix) the issue with a Product is directly or indirectly attributable to, or directly or indirectly results from or arises out of, normal wear and tear of such Product (including, without limitation, things such as worn seals, breakage of syringe needles, etc.); (x) the issue with a Product is directly or indirectly attributable to, or directly or indirectly results from or arises out of, the particular reagents or other substances used in or with such Product (including, without limitation, things such as clogged passages or valves, damage due to corrosive or insoluble substances, etc.); (xi) a Product is unfit, unsuitable or inappropriate for the particular purpose or application for which it is used (whether or not a particular use or application for a Product is identified, Buyer shall be solely responsible for determining the fitness, suitability and appropriateness of Products for the purposes and applications for which they are used by Buyer and its customers); or (xii) the issue with a Product is directly or indirectly attributable to, or directly or indirectly results from or arises out of, a changes in safety, health or other governmental or regulatory standards, mandates or other requirements after the date of manufacture of such Product.

11. Limited Warranty - Services

a. Seller warrants to Buyer that Services will be performed by qualified personnel in a workmanlike and professional manner.

b. In the event of a breach of the warranty set forth in subparagraph a above, Buyer must notify Seller thereof within a period of 30 days after the relevant Services are performed. Unless Buyer notifies Seller of a breach of the warranty set forth in subparagraph a above within the period set forth in this subparagraph b, Seller shall have no liability or obligation with respect to such breach.

c. Buyer's sole and exclusive right and remedy, and Seller's sole and exclusive liability and obligation, for a breach of the warranty set forth in subparagraph a above shall be that Seller will either reperform the relevant Services to the extent not properly performed or refund or credit to Buyer the price Buyer paid therefor. The decision whether to reperform, refund or credit shall be made by Seller in its sole discretion. Any reperformed Services shall be warranted as set forth above.

d. The warranty set forth in subparagraph a above will not apply, and Buyer shall have no right or remedy and Seller shall have no liability or obligation under the warranty set forth in subparagraph a above, if a failure to properly perform Services is directly or indirectly attributable to, or directly or indirectly results from or arises out of (i) compliance with any directions, instructions or requirements of Buyer, or (ii) any action, inaction, error or omission of Buyer or any other person or entity other than Seller and its employees and agents.

12. Disclaimers and Limitations

a. **THE WARRANTIES, RIGHTS AND REMEDIES SET FORTH IN PARAGRAPHS 10 (LIMITED WARRANTY – PRODUCTS) AND 11 (LIMITED WARRANTY – SERVICES) ABOVE ARE THE SOLE AND EXCLUSIVE WARRANTIES, RIGHTS AND REMEDIES PROVIDED TO BUYER WITH RESPECT TO PRODUCTS AND SERVICES AND ARE IN LIEU OF ALL OTHER WARRANTIES, RIGHTS AND REMEDIES, EXPRESS, STATUTORY OR IMPLIED, AND SELLER DISCLAIMS ALL OTHER WARRANTIES, RIGHTS AND REMEDIES, EXPRESS, STATUTORY OR IMPLIED, IN RELATION TO ANY PRODUCTS OR SERVICES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES WITH RESPECT TO MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, COMPATIBILITY OR INTEROPERABILITY WITH OTHER PRODUCTS, ACCURACY, PERFORMANCE AND NON-INFRINGEMENT, AND ANY WARRANTIES ARISING FROM ANY COURSE OF DEALING, USAGE OR TRADE PRACTICE. EXCEPT FOR THE LIABILITIES AND OBLIGATIONS IMPOSED ON SELLER UNDER PARAGRAPHS 10 (LIMITED WARRANTY – PRODUCTS) AND 11 (LIMITED WARRANTY – SERVICES) ABOVE, SELLER SHALL NOT HAVE ANY LIABILITY OR OBLIGATION TO BUYER IN CONNECTION WITH THE FAILURE, IMPROPER PERFORMANCE, MALFUNCTION, INACCURACY OR NON-CONFORMANCE OF, OR ANY DEFECT OR DEFICIENCY IN, ANY PRODUCT OR SERVICE.**

b. Seller does not make, agree to or undertake, and does not authorize Buyer or any other person or entity to make, agree to or undertake in the name or on behalf of Seller, any warranty, liability, obligation, right or remedy with respect to any Product or Service other than the express warranties, liabilities, obligations, rights and remedies set forth in Paragraphs 10 (Limited Warranty - Products) and 11 (Limited Warranty - Services) above.

c. Statements and data relating to Products and Services on website and in promotional, marketing and technical literature and materials of Seller are not warranties. Statements and data that Seller may provide concerning performance of Products are not intended to define the performance of any Product under actual conditions or for specific uses and applications, and should not be relied upon by Buyer and its customers in determining the suitability of Products for specific uses and applications. Seller does not warrant the suitability of any Product for any specific use or application, and Seller shall not have any liability or obligation if a Product is used for an application for which it is not suited. Buyer and its customers will have the sole responsibility for determining the suitability of Products for specific uses and applications. Without in any way limiting the foregoing, Buyer and its customers assume all risks associated with the use of Products and Other Products for applications that carry the risk of death, personal injury, illness, damage to property or environmental harm, including, but not limited to, medical applications and applications involving hazardous, corrosive, or radioactive substances or systems or processes involving such substances ("*High Risk Applications*").

d. The warranties, rights and remedies set forth in Paragraphs 10 (Limited Warranty - Products) and 11 (Limited Warranty - Services) above extend solely to Buyer and to no other person or entity, including, without limitation, any customer of Buyer.

e. Under no circumstances shall Seller and/or any director, officer, partner, manager, employee, attorney, agent or representative of Seller be liable for any penalties or any indirect, consequential, incidental, special, punitive or reliance damages, including, without limitation, lost or unrealized sales, revenues, profits, income, cost savings or business, lost or unrealized contracts, loss of goodwill, damage to reputation, loss of property, loss of material being processed, loss of information or data, loss of production, downtime, or increased costs, in connection with any Product or Service or otherwise in connection with the Agreement or any Other Agreement, even if Seller is advised or placed on notice of the possibility of such damages and notwithstanding the failure of any essential purpose of any Product or Service.

f. In no event shall the total liability of Seller in connection with any particular Product or Service collectively exceed the amount paid to Seller for such particular Product or Service.

13. Intellectual Property Rights

As between Buyer and its customers, on the one hand, and Seller, on the other hand, Seller shall own and retain all right, title and interest in and to all ideas, concepts, inventions, patents, copyrights, trademarks, trade secrets and other intellectual property and proprietary rights in connection with the Products and Services ("*Intellectual Property*"), notwithstanding any suggestion or other contribution that Buyer or any of its customers may make relative to improvements in, or changes with respect to, the Products or Services. Intellectual Property may be used only as authorized by Seller, and Buyer shall not, and Buyer shall take reasonable measures to ensure that its customers do not, attempt to duplicate or reverse-engineer the Products or in any other manner attempt to misuse or misappropriate any Intellectual Property.

14. Trademarks

Products may contain one or more trademarks of Seller ("*Trademarks*"). Buyer shall a non-exclusive, revocable license to use Trademarks in referring to Products in manuals, instructions, procedures and other related documents and materials and in promotional and marketing documents and materials pertaining to such Products and/or to Other Products in which such Products are incorporated or installed, or with which such Products are combined; *provided, however*, that Buyer shall (i) not alter or modify any Trademark, (ii) affix the appropriate trademark symbol (™ or ®) to the most prominent usage of each Trademark in all documents and materials, (iii) attribute ownership of each Trademark to Seller as directed by Seller in all documents and materials, (iv) notify Seller in advance of each proposed use of a Trademark, and (v) if requested by Seller, allow Seller to review and approve in advance each proposed specific use of a Trademark. As between Buyer and its customers, on the one hand, and Seller, on the other hand, all use of Trademarks shall insure solely to the benefit of Seller. Buyer and its customers shall use Trademarks only as authorized by Seller, and Buyer shall not, and Buyer shall take reasonable measures to ensure that its customers do not, do any thing or take any action that could reduce, diminish or impair the right, title and interest of Seller in and to any Trademark.

15. Returns

Seller may from time to time, in its sole discretion, authorize or require that Products be returned to it. All such returns shall be subject to such conditions as Seller may specify. All such returns shall be subject to and must be in compliance with Seller's Return Goods Policy as in effect at the time of the return. Among other conditions for return of Products for any reason, Seller may require that (i) a Return Goods Authorization (RGA) be obtained from Seller prior to the return, (ii) Buyer or its customer pay all freight and shipping in connection with the return, (iii) Buyer or its customer bear all risk of loss or damage during shipment, (iv) no Product be returned unless and until it has been

flushed clean of chemicals, solvents and buffers, (v) no Product be returned if such Product or any Other Product in which it is incorporated or installed or with which it is combined has been used in connection with any hazardous, corrosive or radioactive substances, and (vi) Buyer and/or its customer certify compliance with the requirements of clauses (iv) and (v) above. Among other conditions for the return of Products for credit, Seller may require that (i) the returned Products be products that Seller currently offers for sale as a standard Product, be in new, unused and undamaged condition, be returned in the original packaging, and be returned in a complete condition with all accessories, manuals and other documentation, and (ii) Buyer pay a restocking charge. Custom and non-standard Products may not be returned for credit.

16. Employees, Agents, Etc.

No employee, agent, distributor or representative of Seller has the right or power to modify or expand any of the warranties, liabilities, obligations, rights or remedies set forth in Paragraphs 10 (Limited Warranty - Products) and 11 (Limited Warranty - Services) above or to make or enter into any other warranty, representation, agreement or commitment in the name or on behalf of Seller and/or another with respect to any Products or Services, beyond or in addition to the express warranties, representations, agreements and commitments set forth in the Agreement. Any such modification, expansion, warranty, representation, agreement or warranty, if made, should not be relied upon by Buyer or its customers and shall not be binding upon or enforceable against Seller.

17. Relationship of the Parties

Buyer and Seller shall be independent contractors with respect to all Products and Services, and nothing contained in the Agreement is intended to or shall be deemed to create any partnership, joint venture, principal agent, employer-employee or other similar arrangement or relationship between Buyer and Seller. Neither Buyer nor Seller shall be responsible for any act or omission of the other party, and neither Buyer nor Seller shall have any power or authority to speak for, represent or obligate the other party in any way.

18. Waiver

No failure to exercise and no delay in exercising any right, remedy, or power under or in respect of the Agreement shall operate as a waiver thereof, and no single or partial exercise of any right, remedy or power under or in respect of the Agreement shall limit or preclude any other or further exercise thereof or the exercise of any other right, remedy, or power under or in respect of the Agreement.

19. Applicable Law

- a. The Agreement shall be governed by and construed in accordance with Applicable Law, and the rights, liabilities and obligations of the parties thereunder and in connection therewith shall be determined under Applicable Law.
- b. Applicable Law shall be The laws of the United States and the State of Colorado, including the Colorado Uniform Commercial Code.
- c. The United Nations Convention on Contracts for the International Sale of Goods shall not apply.

20. Export

Buyer shall be solely responsible for obtaining all approvals, authorizations licenses and permits, complying with all laws, rules and regulations, and making all arrangements related to the export of Products from the country in which Seller's facility is located and/or the import of Products into another country. If and to the extent Products and related technical information, data, documents and materials are subject to United States and/or European export controls and/or trade embargoes, Buyer shall strictly comply with all such export controls and trade embargoes, shall fully cooperate with Seller in any official or unofficial investigation, audit or inspection that relates to any of such export controls or trade embargoes, and shall not export, re-export, divert or transfer, directly or indirectly, any Products or related technical information, data, documents or materials to any party on any applicable denied party list or destination subject to an embargo or for any use that is otherwise prohibited pursuant to such export controls and/or trade embargoes, unless and until Buyer obtains any and all required United States and/or European governmental and regulatory approvals, authorizations, licenses and permits. If requested by Buyer, Seller shall provide Buyer with the following information relating to Products: (i) the appropriate ECCN numbers appearing in the Export Administration Regulations administered by the U.S. Department of Commerce, and (ii) the appropriate commodity numbers appearing in the current edition of the Bureau of the Census publication, *Schedule B, Statistical Classification of Domestic and Foreign Commodities Exported from the United States (Schedule B numbers)*.

21. Indemnity by Buyer

Buyer shall defend, indemnify, and hold Seller harmless from and against any and all liability, judgment, loss, damages, costs, and expenses (including but not limited to attorneys' and experts' fees) which any of them may

hereafter suffer or pay out to a third party by reason of any claim, action, or right of action of a third party, at law or in equity, to the extent that any such claim, action, or right of action arises out of or relates to (i) Buyer's breach of Paragraph 13 (Intellectual Property Rights), 14 (Trademarks) or 20 (Export) above, (ii) Other Products, (iii) High Risk Applications, or (iv) compliance with any design, specification or requirement of Buyer.

22. Patent Infringement

Buyer and each of its customers shall permit Seller to take any or all of the following actions, at their option, in connection with any Product that is claimed to infringe or misappropriate any patent, copyright, trade secret or other proprietary right:

- a.** Direct and control the defense and settlement of such claim of infringement or misappropriation and select and retain the legal counsel who shall represent Buyer and/or its customer in connection therewith; *provided, however*, that, in the event Seller elects to direct and control the defense of such claim of infringement or misappropriation, Seller shall (i) pay the fees and expenses of any such legal counsel that it selects and retains to represent Buyer and/or its customer and any local counsel and experts retained by such legal counsel, and (ii) indemnify and hold harmless Buyer and its customer from and against any and all judgments and settlements based upon such claim of infringement or misappropriation, unless and except to the extent such judgment or settlement is based upon or arises out of (A) compliance with any design, specification or requirement of Buyer or any of its customers, (B) any alteration, change or modification to such Product, other than an alteration, change or modification made by or with the written authorization of Seller, (C) the use of such Product with another product, component or part not supplied by Seller, or (D) use of such Product in a manner, with a substance or for a purpose other than the normal manner, substance and purpose for which it is intended.
- b.** Replace such Product with another product that is non-infringing and non-misappropriating or modify such Product to make it non-infringing or non-misappropriating; or
- c.** Require Buyer and/or its customer to cease using such Product, provided that Seller refunds to Buyer the price paid to Seller by Buyer for such Product (less a reasonable allowance for the period of use).

23. Interim Relief

Seller shall have the right to seek and obtain from any court of competent jurisdiction a temporary restraining order and/or preliminary injunction to enjoin Buyer from violating or breaching Paragraph 7 (Software), 13 (Intellectual Property Rights), 14 (Trademarks) or 20 (Export) above.

24. Force Majeure

Seller shall have no liability for any failure to perform, or for any delay in performance, to the extent caused by circumstances beyond its reasonable control, including but not limited to, the elements, acts of God, acts of nature, acts of Buyer or third parties, floods, fire, energy shortages or interruptions, communication delays and interruptions, earthquakes, explosions, war or military mobilization, armed hostilities, riots, terrorism, governmental action or inaction, request of governmental authority, shortages of, delays in obtaining, or inability to obtain materials, components or parts, transportation shortages, delays and interruptions, interruption in electricity or other utilities, epidemic or widespread illness or disease, and strikes, lockouts, labor disturbances or other differences with workers.

25. Severability

If any provision of the Agreement is held to be illegal, invalid, void or in any way unenforceable, such provision will be limited or eliminated to the extent, and only to the extent necessary, for the Agreement to otherwise remain in full force and effect, legal, valid and enforceable.

26. Assignment

Neither the Agreement nor any right, liability or obligation under or in respect of the Agreement may be assigned by Buyer or Seller, whether voluntarily, by operation of law or otherwise, without the other party's written consent, and any such assignment that is attempted without such consent shall be null and void; *provided, however*, that no such consent shall be required for any assignment by Buyer or Seller to a successor to all or substantially all of the business and assets of such party.

27. Parties Bound

The Agreement shall be binding upon and enforceable against, and insure to the benefit of and be enforceable by, Buyer and Seller and, subject to Paragraph 26 (Assignment) above, their respective successors and assigns.