

Terms and Conditions

1. DEFINITIONS

- a. **ISSI** means Innovative Scientific Solutions, Inc., a corporation organized and existing under the laws of the State of Ohio with its head office located at 7610 McEwen Road, Dayton, OH 45459.
- b. **ORIGIN** means 7610 McEwen Road, Dayton, OH 45459.
- c. **BUYER** means any person or organization who purchases or leases Products from ISSI.
- d. **PURCHASE ORDER** means official document on Buyer letterhead with official purchase order number stating intent to purchase, description and quantity of items intended to purchase.
- e. **PRODUCTS** means goods, accessories, spare parts and services.
- f. **SERVICES** means ISSI training of Buyer or end user, data processing by ISSI or data acquisition by ISSI.
- g. **SALE** means acceptance of ISSI terms and conditions by submission of an official purchase order by Buyer.
- h. **TERMS AND CONDITIONS** means the terms and conditions laid forth by ISSI hereon

2. STATEMENTS

- a. ISSI holds all the required intellectual property rights and does not infringe on any patents, trademarks, or copyrights in the delivery of its Products.
- b. ISSI is the manufacturer and source of products. All orders will ship from ISSI directly to Buyer unless otherwise agreed upon. No security deposits or performance bonds will be issued by ISSI to any Buyer or end-user.

3. TERMS OF PURCHASE AND SALE OF PRODUCTS

- a. Except as the parties may otherwise agree, the order, data, notices, shipping invoices, correspondence and all other writings shall be in ISSI's native language or the English language. In the event of any inconsistency between any terms of this Agreement and any translation thereof into another language, the English language meaning shall control.
- b. Each order for Products submitted by Buyer to ISSI shall be subject to the written acceptance of ISSI, and ISSI may, in its own discretion, accept or reject any order for Products without obligation or liability to Buyer by reason of its rejection of any such request.
- c. All orders for Products transmitted by Buyer to ISSI shall be deemed to be accepted by ISSI at the time such orders are received by ISSI to the extent that they are in compliance with the terms and conditions for sale. ISSI shall confirm via electronic mail or fax its receipt and acceptance of each order within 10 days of receipt of the order.
- d. Buyer agrees that ISSI products will not be re-sold or exported by Buyer or end user. The end user agrees to those conditions upon signing and returning the end-user export control declaration and/or accepting an official quotation.

- e. Buyer is responsible for complying with all trade regulations and laws both foreign and domestic. Any products purchased through ISSI cannot be shipped outside of the United States unless done so by ISSI itself.

4. EXPORT OF PRODUCTS

All sales are subject to U.S. export controls, including without limitation persons or entities listed on the U.S. Department of Commerce Bureau of Export Administration's Denied Parties List and the U.S. Department of Treasury's Specially Designated Nationals.

All sales are subject to US export laws including the Export Administration Act (50 U.S.C. Appx. §§ 2401 et seq.) and the Export Administration Regulations ("EAR", 15 C.F.R. Parts 730-774), U.S. Arms Export Act, 22 U.S.C 2751-2780, the International Traffic in Arms Regulations, 22 CFR 120-130 "ITAR," and may be subject to export or import regulations in other countries. Product sales outside the United States may require specific licensing to ensure compliance with said U.S. Export Laws. Buyer agrees to provide the information on end-use and end-user required by ISSI to make this determination. Military applications, for example, typically require approval by the U.S. Department of State. Non-military applications are typically less restricted, but may require licensing by the U.S. Department of Commerce. No sale shall be completed until ISSI has provided Buyer with written assurance of U.S. Export Compliance. Buyer further represents and warrants that no U.S. federal agency has suspended, revoked, or denied export privileges. Purchase order or sale is contingent upon the appropriate government export and import licensing approvals. A license application cannot be submitted without a Purchase Order from the Buyer. All costs associated with an export license, even if denied, are the responsibility of Buyer and/or end user.

Delivery dates for export sales requiring a license will be stated in terms of the required time period following the date of license approval by the U.S. Department of State or Commerce. Orders requiring export licenses will be considered ordered once license approval is received by ISSI.

As stated previously, Products may only be exported from the United States by ISSI. When Products are exported by ISSI, they are either shipped directly to Buyer or to a qualified distributor in a specific region. In the case that there is no distributor in the territory of the Buyer, ISSI will sell and ship products directly to the Buyer.

5. ORDER PROCEDURE

- a. Buyer shall issue an official Purchase Order on Buyer letterhead or contact ISSI with Buyer credit card information for initiation of an order.
- b. Each purchase order for Products issued by Buyer to ISSI under this Agreement shall identify that it is a Purchase Order and shall further set forth the requested delivery date or dates and the description and quantity of Products which are to be delivered on each of such dates. An order for Products shall not provide a delivery date less than 30 days after the date that order is delivered to ISSI. Estimated delivery times will be listed in official quotations. Delivery dates are subject to ISSI manufacturing schedule and are provided in the order receipt confirmation.
- c. Each order submitted to ISSI by Buyer outside of the United States must include the end-use and end-user export certification letter for export control completed and signed by the end user of the Products. Once the end-use end-user export certification letter for export control is reviewed, a determination on whether an export license is required will be made by ISSI. If required, an export license will be requested from the U.S. Department of State / U.S. Department of Commerce for the order. Upon

approval of export license, order will be accepted by ISSI. Whether an export license is needed or not, without signed end-use and end-user export certification letter, ISSI will not ship Products.

- d. Each order for Products issued by Buyer to ISSI must clearly state the end-user of the Products. The billing address and shipping address must also be included on all purchase orders.
- e. Once order has been accepted, ISSI will send confirmation of the order to Buyer with an estimated delivery date.

6. CANCELLATION OF ORDERS

All cancellation of orders by Buyer shall be in writing, or if not initially in writing, shall be confirmed in writing. If Buyer cancels an order, which has been accepted by ISSI, Buyer shall reimburse ISSI for any cost incident to such order incurred by ISSI prior to the time it was informed of the cancellation. All returns on hardware require a return authorization and are subject to inspection and a 20% restocking fee. Hazardous materials cannot be returned.

7. WARRANTY, REPAIR AND REPLACEMENT

Upon request for return and repair, Buyer will inform ISSI of problem and request a return authorization from ISSI for Product(s).

When within warranty period, ISSI will cover shipment and repair costs of Products eligible for warranty repairs. Warranty repairs include any defective or damaged Products not caused by improper use or negligence. Product warranties voided if tamper seals are broken. Warranty period information can be found on the data sheet for each product.

Warranty repair turnaround will be estimated and conveyed to Buyer or end-user upon inspection of item by ISSI technicians. Repair turnaround time may differ based on the product and the condition of the product returned for repair.

All warranty repairs will be performed by the ISSI and not the Buyer. Warranty for any product returned with tamper seals broken is voided. Products received by ISSI from Buyer or end-user which have been tampered with are not eligible for return and no refund will be issued by ISSI. All repair costs will be responsibility of Buyer or end user when warranty has been voided. Repair costs for items beyond warranty period or with broken tamper seals are the responsibility of Buyer or end user. Hazardous materials are not eligible for return to ISSI or any warranty repair.

Warranty period on repaired items will equal: (1) the remaining warranty period of the originally-purchased component at the time the failure was reported to ISSI or (2) the turnaround time for the repair/replacement, whichever is greater.

Replacement parts will come with the full original warranty starting on the date they are received by the Buyer or end-user.

Warranties apply to all Products excluding Services.

8. RENTAL

Products rented by ISSI to Buyer will be rented at the cost of 10% of the list price of that item on the price list per each month in the possession of Buyer or end-user. Buyer must complete and return the "Rental Agreement" form prior to rental of products. Invoices for the rental fee will be sent by ISSI to Buyer once per month until rental period has concluded. Once the rental fees have reached a sum total equal to the purchase price of the Product, the Product will be considered to be purchased by the Buyer and no further rental fees shall be charged to Buyer. Shipment or packaging charges are considered separate and will not be credited toward the rent-to-own total.

9. PURCHASE PRICE

The prices for Products, and any discounts applicable thereto, are set forth in the price quotations. All prices are F.O.B. Origin. If the price for any Product is not set forth in the Price List and Buyer nevertheless orders such a Product from ISSI, the parties hereby evidence their intention thereby to conclude a contract for the sale of that Product at a reasonable price to be determined by the Parties mutually negotiating in good faith.

a. Price Quotations and Order Receipts

Quotations are based on the specifications as described and as furnished by Innovative Scientific Solutions, Inc. at the time of the request. Price quotations are based on the Price List which ISSI does not distribute. Any changes in specifications may result in a change in the quotation. Prices are in U.S. dollars and do not include HAZMAT, shipping and handling charges or applicable import taxes unless otherwise noted. All freight charges will be billed to the Buyer when an invoice is issued unless the Buyer has provided a freight forwarding account on which ISSI can ship products (See Section 12). By accepting a quotation or order receipt, the buyer attests that they have read the terms and conditions carefully and agree to the terms and conditions of the sale.

10. PRICE CHANGES

ISSI reserves the right, in its sole discretion, to change prices or discounts applicable to the Products. The price in effect as of the date of Buyer's receipt of notice of such price change shall remain applicable to all orders received by ISSI after that effective date. Price list is updated on January 1 of each year.

11. PACKING

ISSI shall pack all Products in accordance with ISSI's standard packing procedure, which shall be suitable to permit shipment of the Products to Buyer. If Buyer requests a modification of those procedures, ISSI shall make the requested modification and Buyer shall bear any reasonable expenses incurred by ISSI in complying with such modified procedures which are in excess of the expenses which ISSI would have incurred in following its standard procedures.

12. SHIPMENT OF PRODUCTS

Freight costs have only two options:

- 1.) Use shipping freight forwarder account of Buyer
- 2.) Pre-pay and add to PO

Shipments from ISSI to Buyer may be done using Buyer shipping account provided to ISSI. Unless ISSI is provided with a freight forwarder account by Buyer shipment costs will be included on invoice and will be pre-pay and add. Shipment costs are the sole responsibility of Buyer. Delivery times are best estimates only and ISSI cannot guarantee a delivery time.

Note: ISSI will not provide freight estimates on quotes or purchase order receipts as the costs fluctuate and are difficult to forecast.

13. HAZARDOUS MATERIALS

a. Material Safety Data Sheets

- i. Innovative Scientific Solutions, Inc. maintains current sixteen-section OSHA required form (eCFR Title 30, Chapter I, Subchapter H, Part 47, Subpart F §47.51) for all Material Safety Data Sheets (MSDS) of hazardous chemicals. All MSDS are maintained in English.
- ii. Sections of MSDS
 1. Product and Company Identification
 2. Hazardous Components Information
 3. Hazards Identification
 4. First Aid Measures
 5. Fire Fighting Measures
 6. Accidental Release Measures
 7. Handling and Storage
 8. Exposure Control Personal Protection
 9. Physical and Chemical Properties
 10. Stability and Reactivity
 11. Toxicological Information
 12. Ecological Information
 13. Disposal Considerations
 14. Transportation Information
 15. Regulatory Information
 16. Additional Information

14. DELIVERY: TITLE AND RISK OF LOSS

All deliveries of Products sold by ISSI to Buyer pursuant to sale shall be made F.O.B. Origin, and title to and risk of loss of Products shall pass from ISSI to Buyer at the Origin. Buyer shall pay all charges, including customs duty and sales tax, incurred with respect to the Products following their delivery to the carrier or forwarder.

15. INSPECTION AND ACCEPTANCE

Promptly upon the receipt of a shipment of Products, Buyer shall examine the shipment to determine whether any item or items included in the shipment are in short supply, defective or damaged. Within 10 days of receipt of the shipment, Buyer shall notify ISSI in writing of any shortages, defects or damage which Buyer claims existed

at the time of delivery. Within 10 days after the receipt of such notice, ISSI will investigate the claim of shortages, defects or damage, inform Buyer of its findings, and deliver to Buyer Products to replace any which ISSI determines, in its sole discretion, were in short supply, defective or damaged at the time of delivery.

16. PAYMENT TERMS

ISSI payment terms are strictly NET 30, 0% discount. Upon shipment of Products, ISSI may submit to Buyer ISSI's invoice for those Products. Buyer shall pay each such proper invoice within 30 days after Buyer's receipt of Products. Payment shall be made in US Dollars to ISSI bank account and notification of payment will be made in writing by Buyer to ISSI.

Late payments will be charged a penalty of 2.5% per month. Once payment is 31 days late, the charge will be 2.5% of sale price total. From day 31 forward, the late payment fee will be 2.5% until 60 days has elapsed at which point the late fee will increase to 5%. For each 30 days that elapse without payment from Buyer to ISSI, 2.5% will be added to the invoice.

For orders in which the sum total is greater than \$100,000, Buyer shall provide 20% payment with the submission of order.

Credit card orders will be assessed a 3% fee.

17. CONFIDENTIAL INFORMATION

Written and spoken technical data, drawings, plans and engineering in technical instructions pertaining to the Products are recognized by Buyer to be secret and confidential and to be the property of ISSI. Those items shall at all times and for all purposes be held by Buyer in a confidential capacity and shall not, without the prior written consent of ISSI, (i) be disclosed by Buyer to any person, firm or corporation, excepting those salaried employees of Buyer who are required to utilize such items in connection with the sale or inspection of Products or any Services provided by the ISSI or Buyer during the term of the sale or any extension thereof, or (ii) be disclosed to any person, firm or corporation, or copied or used by Buyer, its employees or agents at any time following the expiration or termination of the sale or any extension thereof, except where such use is necessary in order to maintain or service Products still covered by the warranty at the time of such expiration or termination. ISSI may require as a condition to any disclosure by Buyer pursuant to this Section that any salaried employee to whom disclosure is to be made sign a secrecy agreement, enforceable by ISSI, containing terms satisfactory to ISSI.

ISSI does not share audited financial statements with Buyers.

IN WITNESS WHEREOF, the parties have executed this Agreement

ISSI

BUYER

Authorized Signature

Authorized Signature

Date

Date

Print Name and Title

Print Name and Title