



VERIDIAM TERMS AND CONDITIONS
(Purchasing)

1. This purchase order constitutes Veridiam, Inc.'s (Veridiam) offer to Seller and becomes a binding contract on the terms set forth herein when it is accepted by Seller either by acknowledgement or the commencement of performance. Acceptance of this order is expressly limited to the terms of this offer. No revision to this order shall be valid unless in writing and signed by an authorized representative of Veridiam and no condition stated by Seller in accepting or acknowledging this order shall be binding upon Veridiam if in conflict with, inconsistent with or in addition to the terms and conditions contained herein unless expressly accepted in writing by Veridiam. If this purchase order is construed to be an acceptance of Seller's offer, this acceptance is expressly conditioned on Seller's assent to any additional or different terms (from Seller's offer) contained on the front or reverse side of this purchase order. All settlements will be in accordance with these terms and conditions, and any questions arising relative thereto must be prior to shipment of goods or performance of services.
2. Items shall be prepared, packed and shipped in a manner that will comply with all applicable regulations and that will prevent damage in transit. Shipment shall be in accordance with Veridiam's shipping instructions. Where excess charges result from Seller's failure to ship as specified on this order, Veridiam reserves the right to bill Seller for the additional cost.
3. Veridiam may at any time, by a written order signed by an authorized representative, make changes in any one or more of the following: (a) place or time of delivery; (b) designs or specifications; (c) quality of items purchased; and (d) method of shipment or packing. If any such change causes a material increase or decrease in the cost or time of performance, an equitable adjustment shall be made in the price or delivery schedule or both. No claim for an adjustment to the price by Seller shall be allowed unless made in writing in detail satisfactory to Veridiam and within 30 days from the date notice of the change is received by Seller. Nothing in this clause shall excuse Seller from proceeding with the performance of this order as changed.
4. Should delivery not be made or services not provided within time promised, Veridiam may purchase elsewhere and charge Seller with any resultant loss, unless the delay has been expressly authorized in writing by Veridiam. Time is of the essence of this agreement.
5. Seller agrees to grant Veridiam's representative access to Seller's plant at all reasonable times to inspect the items set forth in this order during their manufacture. All such items will also be subject to inspection and approval at a reasonable time after delivery, and any items which are not then in every way satisfactory to Veridiam may be rejected by it. Items furnished in lots are subject to rejection of entire lot based on sampling of lot. Veridiam may hold any rejected items for the Seller's instructions and at Seller's risk or Veridiam at its option may return them to the Seller at Seller's expense. Inspection, failure to inspect and/or payment shall not relieve Seller of any liability under its warranties or any other term or condition of this order.
6. Seller warrants that all items and/or services supplied hereunder will conform to applicable specifications, drawings and samples, will be free from defects in material and workmanship and will be fit for their intended use. Said warranties, together with Seller's service warranties and guarantees, shall inure to the benefit of Veridiam, its successors, assigns and customers. Seller agrees to indemnify Veridiam, its successors, assigns and customers from all liability, loss, cost, damage or expense including costs of suit and attorney's fees which any one or more of them may suffer or incur as the result of Seller's breach of any such warranty or any term or condition of this order.
7. Mail invoices and other documents promptly. If invoices are not received on time, Veridiam reserves the right to discount within 5 days after receipt of invoice.
8. If price is not stated in the order, it is agreed that the goods and/or services shall be billed at the price last quoted, or the prevailing market rate, whichever is lower. In no event shall the prices exceed current selling prices to other customers for the same or substantially similar items in comparable quantities.
9. Seller agrees to hold harmless Veridiam, Veridiam's successors, assigns and customers from all liability, damages and lawsuits for the actual or alleged infringement of any intellectual property arising from the design, manufacture, sale or use of materials and/or articles supplied on this order.
10. In the event Seller, its employees, agents or subcontractors enter premises occupied or under the control of Veridiam in the performance of this order, Seller shall indemnify and hold harmless Veridiam from and against all liability, damages, costs and expenses arising on account of any personal injury or death or any property damages occurring as a result or in the course of Seller's operations under this agreement. Seller shall comply with all applicable Veridiam safety rules and regulations and will restrict its employees and agents to Veridiam designated work areas and access roadways. Seller will maintain and carry liability insurance which includes, but is not limited to, employer's liability, worker's compensation, general liability, public liability, property damage liability, products liability, completed operations liability and contractual liability in amounts of acceptable to Veridiam. Seller will, if requested by Veridiam, furnish certificates of insurance indicating the foregoing coverage.



11. Title and risk of loss shall pass to Veridiam only upon delivery of the goods to, and acceptance by, Veridiam.
12. Seller warrants that any and all work performed and any equipment or material delivered under this purchase order shall comply with all applicable legal and regulatory requirements, including, but not limited to applicable health and safety statutes and regulations of any state or local government having jurisdiction in the location to which such equipment or material is to be shipped or such work is to be performed pursuant to this agreement.
13. Seller warrants that each and every chemical substance, whether by itself or as part of a mixture or article delivered under this purchase order shall, at the time of delivery to Veridiam, be on the inventory list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency pursuant to Section 8 of the Toxic Substances Control Act (Public Law 94-469), Seller shall indemnify Veridiam from any liability arising out of Seller's failure to so list its chemical substances or otherwise comply with the Act.
14. Seller agrees to furnish promptly to Veridiam Material Safety Data Sheets as required by 29CFR§1910,1200, state and local law, and upon written request a list of all ingredients and their quantities which are contained in materials purchased hereunder.
15. Veridiam shall have the full and unrestricted right to use or disclose all drawings, data, designs, manuals or other technical information supplied by Seller hereunder. All drawings, data, designs, specifications or other information supplied by or on behalf of Veridiam or prepared by Seller specifically in connection with the performance of this order shall be and remain the property of Veridiam. Seller shall not use or disclose said drawings, data, designs, specifications or other information except in the performance of order for Veridiam and shall return all copies of same at Veridiam's request.
16. Unless otherwise agreed to in writing by Veridiam, all material and equipment supplied hereunder will be made in the United States.
17. Seller may not assign its rights or delegate its performance hereunder without the prior written consent of Veridiam and any attempted assignment or delegation without such consent shall be void.
18. These terms and conditions and purchase documentation of Seller accompanying them shall be governed by, and construed in accordance with, the laws of the State of Delaware, without application of the conflict of law principles thereof. The parties agree that any claim, dispute or controversy arising from or relating to any contract for Seller's goods or services, directly or indirectly, shall be resolved by arbitration conducted in accordance with the then prevailing Commercial Arbitration Rules of the American Arbitration conducted by a panel of three arbitrators. One arbitrator shall be selected by Seller, a second by Veridiam, and the third of which shall be selected by the two arbitrators selected by the parties. Unless otherwise agreed, the arbitration shall be held in San Diego, California. Each party shall bear its own counsel and expert witness costs, and the parties shall each pay one half of the fees of the arbitrators; provided, however, the arbitrators may, in their discretion, award fees and costs to either party. Any determination or award in arbitration rendered by all or a majority of the arbitrators shall be conclusive and binding upon the parties and may be entered as a final judgment in any court having jurisdiction. Any action to enforce the arbitration provisions herein, to enforce any determination or award resulting from arbitration, or to seek remedies not available in arbitration, may be brought only in the state and federal courts located in the State of California, and the parties hereto consent to be subject to the jurisdiction of such courts
19. Seller hereby acknowledges and agrees that Seller is an independent contractor of Veridiam for all purposes and that nothing contained herein shall be construed to deem Seller to be an agent, partner or joint venturer of or with Veridiam.
20. These terms and conditions and sales documentation constitute the entire contract between Seller and Veridiam. To the extent that any terms in the sales documents and these terms and conditions conflict, these terms and conditions shall control and prevail. No modification hereof shall be of any force and effect unless in writing and signed by the party claimed to be bound thereby. A waiver of any of the terms or conditions hereof shall not be deemed a continuing waiver, but shall apply solely to the instance to which the waiver is directed. If any portion of these terms and conditions is declared to be unenforceable by a court of competent jurisdiction, all other portions shall be considered to be valid and enforceable to the extent that they are reasonably severable. The headings contained in these terms and conditions are for convenience of reference only and are not intended to have any substantive significance in interpreting this document.