

NAI TECH PRODUCTS
STANDARD TERMS AND CONDITIONS TO OFFERS TO SELL PRODUCTS AND/OR PROVIDE SERVICES

CONTRACT FORMATION BETWEEN YOU ("CLIENT") AND NAI TECH PRODUCTS, INC ("NAI") AS A RESULT OF NAI'S OFFER TO CLIENT TO SELL PRODUCTS AND/OR PROVIDE SERVICES (THE "OFFER") IS HEREBY EXPRESSLY MADE CONDITIONAL ON CLIENT'S ASSENT TO ALL OF THE TERMS AND CONDITIONS OF THE OFFER AND ALL OF THE TERMS AND CONDITIONS SET FORTH HEREIN, WHICH ARE HEREBY INCORPORATED INTO AND MADE PART OF THE OFFER (ALL OF SUCH TERMS AND CONDITIONS BEING REFERRED TO HEREIN AS "NAI'S TERMS"). ALL OF NAI'S TERMS SHALL SUPERSEDE ALL TERMS AND CONDITIONS IN CLIENT'S PURCHASE ORDER OR OTHER CLIENT DOCUMENTS, IF ANY, AND ALL SUPPLEMENTS AND AMENDMENTS THERETO, WHETHER SUBMITTED TO NAI BEFORE, ON OR AFTER THE DATE HEREOF, AND NAI'S TERMS, AND ONLY NAI'S TERMS, SHALL CONSTITUTE THE COMPLETE AND FINAL AGREEMENT BETWEEN NAI AND CLIENT WITH RESPECT TO THE OFFER OR ANY ORDER MADE PURSUANT THERETO. ANY ADDITIONAL OR DIFFERENT TERMS AND CONDITIONS PROPOSED BY CLIENT AT ANY TIME, WHETHER PROPOSED BEFORE, ON OR AFTER THE DATE HEREOF ORALLY OR IN WRITING, UNLESS SUCH TERMS AND CONDITIONS ARE AGREED TO IN WRITING BY A DULY AUTHORIZED REPRESENTATIVE OF NAI, ARE HEREBY REJECTED IN THEIR ENTIRETY BY NAI AND ARE OR SHALL BE DEEMED BY NAI, AS THE CASE MAY BE, A MATERIAL ALTERATION HEREOF. NAI'S TERMS SHALL APPLY TO ALL PRODUCTS AND/OR SERVICES SOLD OR PROVIDED BY NAI, AS APPLICABLE, IN CONNECTION WITH THE OFFER. BY WAY OF CLARIFICATION ONLY, IN NO EVENT SHALL THE OFFER BE CONSTRUED AS AN ACCEPTANCE OR CONDITIONAL ACCEPTANCE OF ALL OR ANY PORTION OF CLIENT'S PURCHASE ORDER OR OTHER CLIENT DOCUMENTS, IF ANY, UNDER UNIFORM COMMERCIAL CODE SECTION 2-207 OR ANY COMPARABLE OR SUCCESSOR PROVISION THERETO UNDER APPLICABLE LAW, FOREIGN OR DOMESTIC, WHETHER SUBMITTED BEFORE, ON OR AFTER THE DATE HEREOF. NO COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE SHALL APPLY TO THE OFFER UNLESS EXPRESSLY AGREED TO IN WRITING BY THE PARTIES. CLIENT MAY ONLY ACCEPT THE OFFER IN A MANNER APPROVED BY NAI.

1.0 OFFER TERM AND TERMINATION

Unless otherwise specified in the Offer, the Offer shall remain valid until accepted by Client in the manner approved by NAI, but in no event for a period longer than ninety (90) days from the date the Offer was submitted to Client. If the Offer has not been accepted on or prior to the ninetieth (90th) day after the date submitted to Client, the Offer shall expire without any further action by NAI or Client. Notwithstanding the foregoing, NAI may terminate the Offer and any orders for products or services made by Client pursuant thereto upon notice to Client if (i) Client becomes insolvent, fails to pay its debts as they become due, makes an assignment for the benefit of creditors or ceases to function as a going concern, (ii) Client breaches any of NAI's Terms, or (iii) a material adverse change occurs in Client's financial condition or NAI reasonably believes that Client's ability to perform its obligations to NAI is or is likely to be materially impaired. Once the Offer is accepted by Client, Client may not cancel any order made pursuant to the Offer without NAI's prior written consent.

2.0 CLIENT AND NAI INFORMATION

Client represents that the information and data supplied by Client or Client's agents and representatives to NAI is accurate and complete in all respects, and Client acknowledges that NAI is relying upon such information and data in the preparation of the Offer without further verification by NAI as to its accuracy or completeness. NAI agrees that information and data received from Client shall remain the property of Client and will be returned to Client upon demand, except as hereinafter set forth. Client may designate in writing any information or data provided by Client to NAI as confidential and proprietary. If Client makes such a designation, NAI will not release to third parties any such information or data without the prior written consent of Client, except in response to a proper court order or process or as required by applicable law. NAI may make and retain archival copies of all information and data provided by Client to NAI. Client shall designate in writing to NAI if it does not wish to have NAI transmit any information or data via fax or electronic means and, in the absence of any such designation, NAI shall be entitled to transmit any information or data via such means. Client agrees to observe and be bound by the provisions regarding NAI's confidential, proprietary and other information set forth in the manuals and documentation provided by NAI with its products and/or services and shall be responsible for any breach of such provisions by Client or any of Client's employees, agents or representatives.

3.0 PRICE AND SCHEDULE

NAI will use commercially reasonable efforts to provide any services specified in the Offer according to the costs and schedule stated therein. If NAI services are included in the Offer, Client recognizes and agrees that the Offer is a good faith estimate of the costs for the services to be provided and times of completion, but such estimate is not a guarantee of the total costs or time that may be involved in performing services necessary to complete the Offer. NAI will not exceed the authorized quotation value for products or services without written authorization of Client. If additional services, products or accessory needs are required, they will be quoted separately to Client and may be in addition to the original Offer.

4.0 SHIPPING COSTS AND INSURANCE

All products shall be shipped EX WORKS NAI's facility, Auburn, California, USA, and title to and all risk of damage and/or loss to such products shall pass to Client at NAI's facility. Unless a specific carrier or service level is specified, NAI will utilize FedEx Priority Overnight shipment and prepaid and published tariff values, including transit insurance, will be added to the invoice amount charged to Client. Import duties, taxes and other transportation costs and charges shall be the responsibility of Client and, if paid by NAI, reimbursed upon demand or added to the invoice or a later invoice, at NAI's discretion. NAI shall not be liable for any damage to products occurring during shipment.

5.0 DISTRIBUTION OF PRODUCT OUTSIDE THE UNITED STATES

5.1 US Law. Client agrees that it will not divert, use, export or re-export such items contrary to United States law. Client expressly acknowledges and agrees that it will not export, re-export, or provide such items to any entity or person within any country that is subject to United States economic sanctions imposing comprehensive embargoes without obtaining prior

authorization from the United States Government. The list of such countries subject to United States economic sanctions or embargoes may change from time to time but currently includes Cuba, Iran, Sudan, and Syria.

5.2 Medical Device Regulation. In most countries, NAI's products are deemed to be medical devices and may be subject to regulation as to their import and use in those countries. If the Client intends to distribute the product outside of the United States, the Client must contact NAI for a current list of countries where NAI's products have been approved for sale.

6.0 INVOICING AND PAYMENT

Invoices will be issued concurrently with or following shipment of products, at NAI's discretion. In certain instances, interim invoices may be issued. Invoices are due and payable to NAI TECH PRODUCTS OPERATING ACCOUNT, 33998 TREASURY CENTER, CHICAGO, IL 60694 or via wire transfer to ACCOUNT 3637477, ABA# 071000288 SWIFT CODE HATRUS44, in any event within thirty (30) calendar days after the date of the invoice. Delinquent invoices are subject to additional service charges of 1.5% per month of the outstanding balance due (but not to exceed the maximum amount allowed by applicable law) and Client agrees to pay NAI's costs of collection, if necessary, in the event of non-payment, including reasonable attorney's fees. Payment terms are subject to the prior approval and conditions established by NAI's Finance Department.

7.0 INSURANCE

NAI maintains worker's compensation and employer's liability insurance on its employees in a form and amount as may be required by applicable law. NAI does not maintain, and shall not be required to maintain hereunder, insurance covering any employees of Client or third parties who may be involved with the work to be performed in connection with the Offer, whether on property of NAI, Client or third parties.

8.0 LIMITED WARRANTY

All products shall be inspected by Client and accepted or rejected promptly upon delivery. NAI warrants that products sold pursuant to the Offer (excluding any software or services embedded therein or provided in connection therewith) will, at the time of shipment from the original manufacturer, function substantially in accordance with their published specifications in effect at the time of such shipment, and to be free from defects in material and workmanship (i.e., assembly) for a period of twelve (12) consecutive months following the initial installation for any end-user of such products ("End-User"), or fifteen (15) consecutive months following the date of shipment from the original manufacturer, whichever period is shorter.

In the event that an exchange unit is required to replace a unit that has failed while in service and under warranty, the exchange unit (subject to the same exclusions applicable to software and services set forth above) will be warranted under the balance of the original unit's warranty. If the exchange unit is purchased for replacement outside of the original unit's warranty period, the exchange unit will be warranted for a period of ninety (90) consecutive days from the date of shipment from the original manufacturer.

NAI warrants that software embedded in or provided with products sold pursuant to the Offer will, at the time of shipment from the original manufacturer, function substantially in accordance with the specifications published in the operator's manual applicable to the software, if any, for a period of twelve (12) consecutive months from the date of the initial installation for any End-User of such software or the date of shipment from the original manufacturer, whichever period is shorter.

NAI warrants that services provided pursuant to the Offer will be supplied in a workmanlike manner. NAI does not warrant that use of products, including any software, will be uninterrupted or error-free. Client and End-User assume full responsibility for selection of appropriate products, including any software, to meet their needs.

The warranties set forth above do not apply to any products, software or services that are:

- (i) Repaired, moved or modified other than by NAI or NAI authorized service personnel; or
- (ii) Subjected to physical, thermal, or electrical abuse, stress, or misuse; or
- (iii) Shipped, stored, operated, altered, modified, or maintained in any manner inconsistent with applicable NAI or manufacturer instructions; or
- (iv) Damaged as a result of normal wear and tear.

To initiate a warranty claim based on any of the foregoing warranties, Client or End-User must contact NAI for a Return Material Authorization Number ("RMA").

In the case of any breach of the above warranty, NAI will replace with new, used or refurbished items any defective part or component of a product which is returned to the NAI designated facility, freight prepaid. Return freight and other transportation costs for repaired, exchanged or replaced items are the responsibility of Client or End-User.

In the case of software, NAI will use commercially reasonable efforts to promptly fix or provide a work-around for any software defect or bug which prevents operation of the software in substantial conformity with its functional specifications. NAI does not warrant that any software defects or bugs will be corrected.

Alternatively, NAI may elect, at its discretion, to refund or credit to Client or End-User an amount equal to the purchase price of the defective product, component, software or service.

All claims must be initiated by contacting NAI within the warranty coverage period set forth above. NAI must be afforded reasonable access and opportunity to inspect all associated systems, software, and materials.

Upon request, NAI will also provide on-site warranty support services to be charged at its then prevailing rates.

THE FOREGOING WARRANTIES AND REMEDIES COMPRISE THE EXCLUSIVE WARRANTIES AND REMEDIES FOR CLIENT OR END-USER FOR BREACH OF THE WARRANTIES SET FORTH ABOVE AND ARE IN LIEU OF ANY OTHER WARRANTIES OR REMEDIES, EXPRESS OR IMPLIED, AT LAW, IN EQUITY OR STATUTORY. EXCEPT FOR THE FOREGOING, NAI MAKES NO WARRANTIES OF ANY KIND IN CONNECTION WITH THE OFFER AND DISCLAIMS ALL OTHER EXPRESS AND ALL IMPLIED WARRANTIES, AT LAW, IN EQUITY OR STATUTORY (INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT). CLIENT ACKNOWLEDGES THAT WHILE NAI AND ITS REPRESENTATIVES MAY, FROM TIME TO TIME, PROVIDE RECOMMENDATIONS AND ADVICE, SUCH STATEMENTS ARE NOT WARRANTIES OF NAI AND CLIENT WILL ACT UPON ANY SUCH STATEMENTS AT ITS OWN RISK. IN NO EVENT SHALL NAI BE LIABLE FOR ANY SPECIAL, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, LIQUIDATED, PUNITIVE, SPECULATIVE OR OTHER DAMAGES, INCLUDING ANY LOSS OF PROFITS, BUSINESS OR GOODWILL, IN CONNECTION WITH THE SALE OF PRODUCTS OR PERFORMANCE OF SERVICES PURSUANT TO OR IN CONNECTION WITH THE OFFER, EVEN IF NAI HAS BEEN ADVISED IN ADVANCE OF THE POSSIBILITY OF THE SAME.

9.0 RETURN MATERIALS

Prior to returning products or any components thereof, including any software, for any reason, Client or End-User must obtain an RMA number from NAI. Products shall be returned to NAI TECH PRODUCTS, 12919 EARHART AVENUE, AUBURN, CALIFORNIA 95602 USA, shipment insured and pre-paid packaged using the original packing materials or suitable equivalent to ensure the material's safe return to NAI. Products which are returned without RMA or shipped freight collect will be refused and not eligible for any of the remedies set forth herein.

10.0 WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE) RETURN

NAI Tech has created a product take back program to cover the collection, treatment, recovery and disposal of all electrical and electronic equipment sold by NAI Tech. To initiate a WEEE return, please email NAI at sales@naitechproducts.com and NAI Tech staff will reply with information on how to ship the product.

11.0 EXCHANGE UNITS

Most products are shipped without accompanying service parts. Repair services are to be performed by NAI or its Authorized Service Center(s). In-warranty and after warranty service is often supported through a product exchange program. When an exchange unit is sent from NAI or an NAI Authorized Service Center it is the responsibility of Client to return the defective product to NAI or its designee in a timely manner.

12.0 LIMITS OF LIABILITY

NAI's obligations hereunder, including Section 8, above, are further limited as follows:

12.1 Client agrees to limit any liability of NAI arising from the sale of products or provision of services such that the total aggregate liability of NAI shall not exceed the total amount received by NAI from Client for such products or services, considered individually and not in the aggregate as to each claim of Client.

12.2 NAI shall be discharged from all liability to Client for all claims for loss, damage or expense unless a claim is made within three (3) months of the date at which the damage, defect or alleged non-performance became reasonably apparent to Client, and process of law, if any, served on NAI no later than two (2) years from the sale of products or provision of services by NAI. -

12.3 Client agrees to extend any and all limitations, indemnifications, and waivers provided by Client to NAI to those individuals and organizations NAI retains for proper execution of work pursuant to the Offer, including, without limitation, NAI's officers and employees and their heirs, personal representatives and assigns, as well as NAI's agents and subcontractors and their officers, employees, heirs, personal representatives and assigns.

12.4 Client acknowledges that testing, connection and integration of NAI supplied items may cause damage to or destroy Client's products.

12.5 Client agrees that NAI shall not be responsible for any injuries to any of Client's agents or representatives while attending to or observing testing at any NAI facility. If testing takes place at Client's facility, Client agrees that NAI will not operate and shall not be responsible for any of Client's equipment and that, although NAI agrees to abide in all material respects by Client's safety procedures, NAI shall not be responsible for injury to any of Client's personnel.

12.6 NAI shall not be liable to Client or any third party for any delay in delivery or failure to deliver products or any components thereof or provide any services, including any exchange or replacement units or software, if such failure is caused, directly or indirectly, by fire, explosion, accident, flood, labor difficulties or shortage, war, act of terrorism, laws, rules or regulations of governmental authorities (foreign or domestic), acts of God or any other circumstance beyond the commercially reasonable control of NAI.

13.0 NON-WARRANTY RETURNS

In the event of product return for any reason, other than a breach of warranty, NAI's then applicable restocking fee will be assessed. Client should contact NAI to determine the then applicable restocking fee. Restocking fees are currently 10% plus damages or costs to replace missing items. All transportation costs, including insurance, associated with the return of products are the sole responsibility of Client or End-User. Any material returned to NAI freight collect will be refused.

14.0 CONSERVATION OF RESOURCES

Client acknowledges that NAI uses, and shall be entitled to use in connection with the Offer, new, used and/or refurbished parts, components and materials in performing NAI's obligations hereunder.

15.0 INDEMNIFICATION

Client shall be responsible for any breach of NAI's Terms by any of Client's employees, agents or representatives. Client agrees to defend, hold harmless and indemnify NAI and NAI's shareholders, directors, officers, employees, agents, representatives and affiliates, and their respective successors, heirs, personal representatives and assigns (together with NAI, the "NAI Indemnitees") from and against any and all claims, demands, actions, causes of action, suits, liabilities, obligations, damages, fees, costs and expenses of whatever kind or nature, including, without limitation, reasonable attorney's fees, court and collection costs, arising from or related to, directly or indirectly: (i) any inaccurate or incomplete information or data provided by Client to NAI; (ii) the testing, connection or integration of any NAI products with any Client products, networks, hardware, facilities or systems; (iii) any bodily injury, property damages or other damages, liabilities or costs resulting from any error, act or omission of Client or any of Client's employees, agents or representatives; (iv) any breach by Client or any of Client's employees, agents or representatives of NAI's Terms; (v) violation of any law, rule or regulation, judgment, decree or order of any governmental authority, foreign or domestic, by Client or any of Client's employees, agents or representatives; and/or (vi) any infringement or alleged infringement of the intellectual property rights of third parties arising, directly or indirectly, from the actions of Client or any of Client's employees, agents or representatives. Client shall, at Client's expense, if requested by NAI, defend all claims, proceedings or suits against any of the NAI Indemnitees to which the NAI Indemnitees are entitled to be indemnified by Client pursuant to this Section 15. NAI's remedies under NAI's Terms are cumulative and in addition to those provided by law. Client acknowledges that the foregoing indemnification obligations shall survive indefinitely.

16.0 GOVERNING LAW

The Offer, and any work performed pursuant to the Offer, shall be governed by the laws of the State of California, United States of America. Any claim, demand or action commenced in connection with NAI's Terms shall be venued in Placer County, California.

17.0 SEVERABILITY

Any provision of NAI's Terms that may be held invalid, void or unenforceable for any reason shall not affect any other term or condition of NAI's Terms, and such term or condition shall be replaced or interpreted to accomplish the intent of the parties as set forth in NAI's Terms.

18.0 MODIFICATIONS

No modification, waiver or amendment of NAI's Terms shall be binding upon NAI unless identified in writing as to modification, waiver or amendment of NAI's Terms, and such writing is signed by an agent of NAI acknowledging the modification, waiver or amendment.

19.0 GOVERNING LANGUAGE AND CURRENCY

NAI's Terms and all documents submitted by the parties pursuant to the Offer shall be stated in the English language and all payments of the parties pursuant to the Offer shall be made in US Dollars.

20.0 SET-OFF

NAI shall be entitled to set-off against any amount owed by NAI to Client or any of Client's affiliates any amount owed by Client or any of Client's affiliates to NAI.

21.0 ASSIGNMENT; BINDING EFFECT

Neither Client nor NAI may assign any of its rights or obligations under the Offer without the prior written consent of the other party; provided, however, that NAI may assign all of its rights and obligations under the Offer to a purchaser of all or substantially all of NAI's assets; provided, further, that Client may assign its rights under the warranty and warranty remedy provisions set forth in Section 8, above, to any End-User. NAI's Terms shall be binding upon and inure to the benefit of Client and NAI and their respective successors and permitted assigns.