



Website: halogensystems.com

Email: info@halogensys.com

Phone: [01-775-832-0495](tel:01-775-832-0495)

Terms & Conditions of Sale for Halogen Systems, Inc.

Company Products and Services

This document sets forth the Terms & Conditions of Sale for goods manufactured and/or supplied, and services provided, by Halogen Systems, Inc. ("HSI") and sold to the original purchaser thereof ("Buyer"). Unless otherwise specifically stated herein, the term "HSI" includes only Halogen Systems, Inc. . Unless otherwise specifically stated in a previously executed written purchase agreement signed by authorized representatives of HSI and Buyer, these Terms & Conditions of Sale establish the rights, obligations and remedies of HSI and Buyer which apply to this offer and any resulting order or contract for the sale of HSI's goods and/or services ("Products").

1. APPLICABLE TERMS & CONDITIONS:

These Terms & Conditions of Sale are contained directly and/or by reference in HSI's offer, order acknowledgment, and invoice documents. The first of the following acts constitutes an acceptance of HSI's offer and not a counteroffer and creates a contract of sale ("Contract") in accordance with these Terms & Conditions: (i) Buyer's issuance of a purchase order document against HSI's offer; (ii) acknowledgement of Buyer's order by HSI; or (iii) commencement of any performance by HSI pursuant to Buyer's order. Provisions contained in Buyer's purchase documents (including electronic commerce interfaces) that materially alter, add to, or subtract from the provisions of these Terms & Conditions of Sale are not a part of the Contract.

2. CANCELLATION:

Buyer may cancel goods orders subject to fair charges for HSI's expenses including handling, inspection, restocking, freight, and invoicing charges as applicable, only if Buyer returns such goods to HSI at Buyer's expense within 30 days of delivery and in the same condition as received. Seller may cancel all or part of any order prior to delivery without liability if the order includes any Products that Seller determines may not comply with export, safety, local certification, or other applicable compliance requirements.





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3. DELIVERY:

Delivery will be accomplished, EX Work, from HSI's facility located in Reno, Nevada, United States. Legal title and risk of loss or damage pass to Buyer upon transfer to the first carrier. HSI will use commercially reasonable efforts to deliver the Products ordered within the time specified within this Contract or, if no time is specified, within HSI's normal lead-time necessary for HSI to deliver the Products sold. Upon prior agreement with Buyer and for an additional charge, HSI will deliver the Products on an expedited basis. Standard service delivery hours are 8 am – 5 pm Monday through Friday, excluding holidays.

4. INSPECTION:

Buyer will promptly inspect and accept any Products delivered pursuant to this Contract after receipt of such Products. In the event the Products do not conform to any applicable specifications, Buyer will promptly notify HSI of such nonconformance in writing. HSI will have a reasonable opportunity to repair or replace the nonconforming product at its option. Buyer will be deemed to have accepted any Products delivered and to have waived any such nonconformance if a written notification is not received by HSI within thirty (30) days of delivery.

5. PRICES & ORDER SIZES:

All prices are in U.S. dollars and are based on delivery as stated above. Prices do not include any charges for services such as insurance; brokerage fees; sales, use, inventory or excise taxes; import or export duties; special financing fees; VAT, income or royalty taxes imposed outside the U.S.; consular fees; special permits or licenses; or other charges imposed upon the production, sale, distribution, or delivery of Products. Buyer will either pay all such charges or provide HSI with acceptable exemption certificates, which obligation survives performance under this Contract. HSI reserves the right to establish minimum order sizes and will advise Buyer accordingly.

6. PAYMENTS:

All payments must be made in U.S. dollars. Invoices for all other orders are due and payable NET 30 DAYS from date of the invoice without regard to delays for inspection or transportation, with payments to be made by





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check to Halogen Systems, Inc. at the above address or by wire transfer to the account stated on the front of HSI's invoice. For customers with no established credit, HSI may require cash or credit card payment in advance of delivery. In the event payments are not made or not made in a timely manner, HSI may, in addition to all other remedies provided at law, either: (a) declare Buyer's performance in breach and terminate this Contract for default; (b) withhold future shipments until delinquent payments are made; (c) deliver future shipments on a cash-with-order or cash-in-advance basis even after the delinquency is cured; (d) charge interest on the delinquency at a rate of 1-1/2% per month or the maximum rate permitted by law, if lower, for each month or part thereof of delinquency in payment plus applicable storage charges and/or inventory carrying charges; (e) repossess the Products for which payment has not been made; (f) recover all costs of collection including reasonable attorney's fees; or (g) combine any of the above rights and remedies as is practicable and permitted by law. Should Buyer's financial responsibility become unsatisfactory to HSI in its reasonable discretion, HSI may require cash payment or other security. If Buyer fails to meet these requirements, HSI may treat such failure as reasonable grounds for repudiation of this Contract, in which case HSI cancellation charges shall be due HSI. Buyer grants HSI a security interest in the Products to secure payment in full, which payment releases the security interest but only if such payments could not be considered an avoidable transfer under the U.S. Bankruptcy Code or other applicable laws. Buyer's insolvency, bankruptcy, assignment for the benefit of creditors, or dissolution or termination of the existence of Buyer, constitutes a default under this Contract and affords HSI all the remedies of a secured party under the U.C.C., as well as the remedies stated above for late payment or non-payment. See ¶120 for further wire transfer requirements.

7. LIMITED WARRANTY:

HSI warrants that Products sold will be free from defects in material and workmanship and will, when used in accordance with the manufacturer's operating and maintenance instructions, conform to any express written warranty pertaining to the specific goods purchased, which for most HSI instruments is for a period of twelve (12) months from delivery or



commissioning (whichever is later). HSI warrants that services furnished will be free from defects in workmanship for a period of ninety (90) days from the completion of the services. Parts provided by HSI in the performance of services may be new or refurbished parts functioning equivalent to new parts. Any non-functioning parts that are repaired by HSI shall become the property of HSI. All other guarantees, warranties, conditions and representations, either express or implied, whether arising under any statute, law, commercial usage or otherwise, including implied warranties of merchantability and fitness for a particular purpose, are hereby excluded. The sole remedy for Products not meeting this Limited Warranty is replacement, credit, or refund of the purchase price. This remedy will not be deemed as a failure of purpose so long as HSI is willing to provide such replacement, credit, or refund.

8. INDEMNIFICATION:

Indemnification applies to a party and to such party's successors-in-interest, assignees, affiliates, directors, officers, and employees ("Indemnified Parties"). HSI is responsible for and will defend, indemnify and hold harmless the Buyer Indemnified Parties against all losses, claims, expenses or damages which may result from accident, injury, damage, or death due to HSI's breach of the Limited Warranty. Buyer is responsible for and will defend, indemnify and hold harmless the HSI Indemnified Parties against all losses, claims, expenses or damages which may result from accident, injury, damage, or death due to negligence, misuse or misapplication of any goods or services, violations of law, or the breach of any provision of this Contract by the Buyer, its affiliates, or those employed by, controlled by or in privity with them. Buyer's workers' compensation immunity, if any, does not preclude or limit its indemnification obligations.

8. PATENT PROTECTION:

Subject to all limitations of liability provided herein, HSI will, with respect to any Products of HSI's design or manufacture, indemnify Buyer from any and all damages and costs as finally determined by a court of competent jurisdiction in any suit for infringement of any U.S. patent (or European patent for Products that HSI sells to Buyer for end use in a member state



of the E.U.) that has issued as of the delivery date, solely by reason of the sale or normal use of any Products sold to Buyer and TERMS AND CONDITIONS OF SALE FOR HALAGON SYSTEMS, INC. COMPANY PRODUCTS AND SERVICES from reasonable expenses incurred by Buyer in defense of such suit if HSI does not undertake the defense thereof, provided that Buyer promptly notifies HSI of such suit and offers HSI either (i) full and exclusive control of the defense of such suit when Products of HSI only are involved, or (ii) the right to participate in the defense of such suit when products other than those of HSI are also involved. HSI's warranty as to use patents only applies to infringement arising solely out of the inherent operation of the Products according to their applications as envisioned by HSI's specifications. In case the Products are in such suit held to constitute infringement and the use of the Products is enjoined, HSI will, at its own expense and at its option, either procure for Buyer the right to continue using such Products or replace them with non-infringing products, or modify them so they become non-infringing, or remove the Products and refund the purchase price (prorated for depreciation) and the transportation costs thereof. The foregoing states the entire liability of HSI for patent infringement by the Products. Further, to the same extent as set forth in HSI's above obligation to Buyer, Buyer agrees to defend, indemnify and hold harmless HSI for patent infringement related to (x) any goods manufactured to the Buyer's design, (y) services provided in accordance with the Buyer's instructions, or (z) HSI's Products when used in combination with any other devices, parts or software not provided by HSI.

9. TRADEMARKS AND OTHER LABELS:

Buyer agrees not to remove or alter any indicia of manufacturing origin or patent numbers contained on or within the Products, including without limitation the serial numbers or trademarks on nameplates or cast, molded, or machined components.

10. PROPRIETARY INFORMATION; PRIVACY:

"Proprietary Information" means any information, technical data, or know-how in all forms, whether documented, contained in machine readable or physical components, mask works or artwork, or otherwise,





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which HSI considers proprietary, including but not limited to service and maintenance manuals. Buyer and its customers, employees and agents will keep confidential all such Proprietary Information obtained directly or indirectly from HSI and will not transfer or disclose it without HSI's prior written consent, or use it for the manufacture, procurement, servicing or calibration of Products or any similar products, or cause such products to be manufactured, serviced or calibrated by or procured from any other source, or reproduce or otherwise appropriate it. All such Proprietary Information remains HSI's property. No right or license is granted to Buyer or its customers, employees, or agents, expressly or by implication, with respect to the Proprietary Information or any patent right or other proprietary right of HSI, except for the limited use licenses implied by law. HSI will manage Customer's information and personal data in accordance with its Privacy Policy, located at <http://www.halogensystems.com/privacypolicy>.

11. CHANGES AND ADDITIONAL CHARGES:

HSI reserves the right to make design changes or improvements to any products of the same general class as Products being delivered hereunder without liability or obligation to incorporate such changes or improvements to Products ordered by Buyer unless agreed upon in writing before the Products' delivery date. Services which must be performed as a result of any of the following conditions are subject to additional charges for labor, travel and parts: (a) equipment alterations not authorized in writing by HSI; (b) damage resulting from improper use or handling, accident, neglect, power surge, or operation in an environment or manner in which the instrument is not designed to operate or is not in accordance with HSI's operating manuals; (c) the use of parts or accessories not provided by HSI; (d) damage resulting from acts of war, terrorism or nature; (e) services outside standard business hours; (f) site prework not complete per proposal; or (g) any repairs required to ensure equipment meets manufacturer's specifications upon activation of a service agreement.





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12. LIMITATIONS ON USE:

Buyer will not use any Products for any purpose other than those identified in HSI's catalogs and literature as intended uses. Unless HSI has advised the Buyer in writing, in no event will Buyer use any Products in drugs, food additives, food or cosmetics, or medical applications for humans or animals. In no event will Buyer use in any application any Product that requires FDA 510(k) clearance unless and only to the extent the Product has such clearance. Buyer will not sell, transfer, export, or re-export any HSI Products or technology for use in activities which involve the design, development, production, use or stockpiling of nuclear, chemical, or biological weapons or missiles, nor use HSI Products or technology in any facility which engages in activities relating to such weapons. EXPORT AND IMPORT LICENSES AND COMPLIANCE WITH LAWS:

Unless otherwise specified in this Contract, Buyer is responsible for obtaining any required export or import licenses. Buyer will comply with all laws and regulations applicable to the installation or use of all Products, including applicable import and export control laws and regulations of the U.S., E.U. and any other country having proper jurisdiction, and will obtain all necessary export licenses in connection with any subsequent export, re-export, transfer and use of all Products and technology delivered. Buyer will comply with all local, national, and other laws of all jurisdictions globally relating to anti-corruption, bribery, extortion, kickbacks, or similar matters which are applicable to Buyer's business activities in connection with this Contract, including but not limited to the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"). Buyer agrees that no payment of money or provision of anything of value will be offered, promised, paid or transferred, directly or indirectly, by any person or entity, to any government official, government employee, or employee of any company owned in part by a government, political party, political party official, or candidate for any government office or political party office to induce such organizations or persons to use their authority or influence to obtain or retain an improper business advantage for Buyer or for HSI, or which otherwise constitute or have the purpose or effect of public or commercial bribery, acceptance of or



acquiescence in extortion, kickbacks or other unlawful or improper means of obtaining business or any improper advantage, with respect to any of Buyer's activities related to this Contract. HSI asks Buyer to "Speak Up!" if aware of any violation of law, regulation, or our Standards of Conduct ("SOC") in relation to this Contract. RELATIONSHIP OF PARTIES:

Buyer is not an agent or representative of HSI and will not present itself as such under any circumstances unless and to the extent it has been formally screened by HSI's compliance department and received a separate duly authorized letter from HSI setting forth the scope and limitations of such authorization.

13. FORCE MAJEURE:

HSI is excused from performance of its obligations under this Contract to the extent caused by acts or omissions that are beyond its control of, including but not limited to Government embargoes, blockages, seizures or freeze of assets, delays or refusals to grant an export or import license or the suspension or revocation thereof, or any other acts of any Government; fires, floods, severe weather conditions, or any other acts of God; quarantines; labor strikes or lockouts; riots; strife; insurrections; civil disobedience or acts of criminals or terrorists; war; material shortages or delays in deliveries to HSI by third parties. In the event of the existence of any force majeure circumstances, the period of time for delivery, payment terms and payments under any letters of credit will be extended for a period of time equal to the period of delay. If the force majeure circumstances extend for six months, HSI may, at its option, terminate this Contract without penalty and without being deemed in default or in breach thereof.

14. NON-ASSIGNMENT AND WAIVER:

Buyer will not transfer or assign this Contract or any rights or interests hereunder without HSI's prior written consent. Failure of either party to insist upon strict performance of any provision of this Contract, or to exercise any right or privilege contained herein, or the waiver of any breach of the terms or conditions of this Contract will not be construed as thereafter waiving any such terms, conditions, rights, or privileges, and



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the same will continue and remain in force and effect as if no waiver had occurred.

15. FUNDS TRANSFERS (PAYMENTS):

Buyer and HSI both recognize that there is a risk of banking fraud when individuals impersonating a business demand payment under new banking or mailing instructions. To avoid this risk, Buyer must verbally confirm any new or changed bank transfer or mailing instructions by calling HSI at +1-775-832-0495, and speaking with HSI's Credit Manager before mailing or transferring any monies using the new instructions. Both parties agree that they will not institute mailing, or bank transfer instruction changes and require immediate payment under the new instructions but will instead provide a ten (10) day grace period to verify any payment instruction changes before any new or outstanding payments are due using the new instructions.

16. LIMITATION OF LIABILITY:

None of the HSI Indemnified Parties will be liable to Buyer under any circumstances for any special, treble, incidental or consequential damages, including without limitation, damage to or loss of property other than for the Products purchased hereunder; damages incurred in installation, repair or replacement; lost profits, revenue or opportunity; loss of use; losses resulting from or related to downtime of the products or inaccurate measurements or reporting; the cost of substitute products; or claims of Buyer's customers for such damages, howsoever caused, and whether based on warranty, contract, and/or tort (including negligence, strict liability or otherwise). The total liability of the HSI Indemnified Parties arising out of the performance or nonperformance hereunder or HSI's obligations in connection with the design, manufacture, sale, delivery, and/or use of Products will in no circumstance exceed in the aggregate a sum equal to twice the amount actually paid to HSI for Products delivered hereunder.

17. APPLICABLE LAW AND DISPUTE RESOLUTION:

The construction, interpretation, and performance, and all transactions shall be governed by the laws of the State of Nevada, without regard to its principles or laws regarding conflicts of laws. If any provision of this





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Contract violates any Federal, State, or local statutes or regulations of any countries having jurisdiction of this transaction, or is illegal for any reason, said provision shall be self-deleting without affecting the validity of the remaining provisions. Unless otherwise specifically agreed upon in writing between HSI and Buyer, any dispute relating to this Contract which is not resolved by the parties shall be adjudicated in order of preference by a court of competent jurisdiction (i) in the State of Nevada, U.S.A.

18. ENTIRE AGREEMENT & MODIFICATION:

These Terms & Conditions of Sale constitute the entire agreement between the parties and supersede any prior agreements or representations, whether oral or written. No change to or modification of these Terms & Conditions shall be binding upon HSI unless in a written instrument specifically referencing that it is amending these Terms & Conditions of Sale and signed by an authorized representative of HSI. HSI rejects any additional or inconsistent Terms & Conditions of Sale offered by Buyer at any time

