

STANDARD TERMS AND CONDITIONS OF SALE
NEWPORT ELECTRONICS, INC.
HEREINAFTER REFERRED TO AS "NEWPORT"

1. Delivery dates provided are based on existing conditions. NEWPORT will use commercially reasonable efforts to ship within the time estimated, but failure to make shipment as scheduled does not constitute a cause for cancellation and/or for damages of any character. The execution of this order is contingent upon strikes, fires, delays of carriers, and other delays and causes unavoidable or beyond NEWPORT's control. It is understood that delivery of all or any part of any order is contingent on the manufacturer's ability to get supplies and raw materials, and is further limited to the extent that the ability to deliver may be affected by regulation of U.S. government contracts.

2. Shipments and deliveries shall be subject to approval of NEWPORT's Credit Department. NEWPORT reserves the right, prior to making any shipments, to require from purchaser satisfactory security for performance of purchaser's obligations. If the purchaser fails to furnish satisfactory security or information on which to base credit, and/or purchaser's account is in arrears, NEWPORT may defer further shipments, or may, at its option cancel the order or any unshipped balance. NEWPORT's failure to exercise any right accruing from any default of purchaser shall not impair NEWPORT's rights, in case of any subsequent default of purchaser.

3. Products damaged in transit, shortages, etc., should be noted on the freight bill by delivering carrier. Any returns must be authorized in writing by the supplier. Claims cannot be honored after ten (10) days. A clear receipt from the carrier places the responsibility for shortage or damage with the carrier. If there is a shortage, or products are damaged, receipt should be given to carrier accordingly, and agent should be requested to insert notation on freight bill. This will enable purchaser to pursue recovery of damages from the carrier.

4. The determination as to the suitability or adaptability of any of NEWPORT's products to the specific needs of the purchaser is solely the purchaser's prerogative and responsibility. NEWPORT is glad to offer suggestions on the use of its various products. Nevertheless, there are no warranties given except such expressed written warranties offered in connection with the sale of a particular product.

5. Cancellation of any order, or any part thereof, shall be subject to the following terms: The purchaser shall pay the contract price, plus any adjustment, of all products which have been completed. In addition to such payment, as to any part of the order which shall be in process, the purchaser shall pay a sum equal to the same proportion of the contract price as the degree of completion of the products in process on date cancellation is received.

6. All products are inspected in conformance with NEWPORT's regularly established inspection procedure and/or the purchaser's blueprints and specifications based on predetermined agreement. To be valid, claims by the purchaser of a product's nonconformance to specifications must be made to NEWPORT within 10 days of delivery of product to purchaser. No products may be returned without permission from NEWPORT Customer Service. Return of products could be subject to a restocking fee. NEWPORT will not be held responsible for any fees and/or costs incurred by the purchaser or by any other party, including but not limited to, recall fees, shipping charges, customs and broker fees, insurance and/or any other fees, except for any fees and/or costs approved, in writing and in advance, by a duly authorized representative of NEWPORT. No allowances will be made for material subsequently added to NEWPORT's products nor for labor charges.

7. Orders made to purchaser's drawings or descriptions are executed only on the understanding that the purchaser will indemnify NEWPORT for any

loss resulting from an action for infringement of patents. The purchaser shall pay any manufacturer's tax or sales tax now or hereafter imposed by Governmental authority upon products herein described, or the production, sale, distribution, or delivery thereof, or upon any feature of this transaction.

8. NEWPORT will not be bound by any promise or representation, written or oral, not made a written part of the order and signed by a duly authorized representative of NEWPORT. Access to NEWPORT property requires prior approval.

9. WARRANTY: NEWPORT warrants that each product to be delivered hereunder will conform to its specifications and be free from defects in material or workmanship. Since products vary, please refer to product literature for the specific warranty period. NEWPORT MAKES NO OTHER WARRANTIES OR REPRESENTATIONS OF ANY KIND WHATSOEVER, EXPRESSED OR IMPLIED, EXCEPT THAT OF TITLE AND ALL IMPLIED WARRANTIES INCLUDING ANY WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY DISCLAIMED. NEWPORT NEITHER ASSUMES RESPONSIBILITY FOR ANY OMISSIONS OR ERRORS NOR ASSUMES LIABILITY FOR ANY DAMAGES THAT RESULT FROM THE USE OF ITS PRODUCTS IN ACCORDANCE WITH INFORMATION PROVIDED BY NEWPORT, EITHER VERBAL OR WRITTEN.

LIMITATION OF LIABILITY: The remedies of the purchaser set forth herein are exclusive and the total liability of NEWPORT with respect to this order, whether based on contract, warranty, negligence, indemnification, strict liability or otherwise, shall not exceed the purchase price of the component upon which liability is based. In no event shall NEWPORT be liable for consequential, incidental or special damages.

CONDITIONS: Products sold by NEWPORT are not intended to be used, nor shall they be used: 1) as a "Basic Component" under 10 CFR21(NRC), used in or with any nuclear installation or activity; or 2) in medical applications or used on humans. Should products be used in or with any nuclear installation or activity, medical application, used on humans or misused in any way, purchaser will indemnify NEWPORT and hold NEWPORT harmless from any liability or damage whatsoever arising out of the use of the products in such a manner.

10. Subject to the provisions of credit approval, terms of payment are as shown on the reverse side, hereof, and shall be effective from the date of invoice.

11. All questions concerning the validity and operation of this Agreement and the performance of the obligations imposed on the Parties under this Agreement will be governed by the laws of the State of California, U.S.A.

12. Certificate of Conformance: (CAL-1) NEWPORT certifies that the items comprising this order have been manufactured in accordance with all applicable instructions and specifications as published in the most current applicable measurement and/or control handbook and encyclopedia. NEWPORT further certifies that unless otherwise specified, all thermocouple base and noble metal materials conform to ANSI Standard MC96.1 latest edition.

13. QUOTATION: A quotation is subject to immediate acceptance; prices are subject to change without notice. NEWPORT reserves the right to correct clerical or stenographic errors or omissions. The prices quoted are based upon shipment of quantities shown and on the basis of the delivery schedule described and are firm for the period shown on the quotation. In the event the quantity of material ordered is reduced on any order resulting from the quotation, the price for the material already shipped, as well as the price of the material for future delivery, will be adjusted to conform to the price schedule applicable for the smaller quantity.