



Analytical Services and Manufacturing Standard Terms and Conditions Version 2-2010

Unless otherwise agreed to in a formal contract, services provided by Chemic Laboratories, Inc. are expressly limited to the terms and conditions stated herein.

Confidentiality... Strict confidentiality is maintained in all dealings with clients as per Chemic's Confidentiality Agreement. In accordance with said Agreement, no information, both standard and proprietary, is disclosed to any other Party without the express, written permission of the other Party. In the event any information is subpoenaed by, and must be released to, a regulatory or legal body, the client is promptly notified. Likewise, the client agrees to respect all such relationships of trust. The client agrees that it will not use Chemic Laboratories' name and/or data in any such manner, which may cause damage to the company's reputation or business. Under no circumstances is the name Chemic Laboratories, Inc., or any variation or alteration thereof, to be published, either alone or in association, without prior, written approval from an officer of the company.

Provision of Safety Data... In order to ensure the safety of our employees, Chemic Laboratories will assess a \$250 MSDS literature search fee to obtain applicable MSDS and/or documented human health impact data associated with the test article(s) unless the client provides such data at the time of quotation approval.

Investigations and Exceptions... Chemic shall investigate any exception, non-conformity, out-of-specification, out-of-trend, or unexpected result associated with a test article provided by the client following discussion with the client and agreement to do so. The investigation may include additional sample analysis. In the event the unexpected data value is confirmed by means of additional analysis and found to be in agreement with the initial data, the client will be invoiced for such efforts expended. In the event the initially generated data is deemed in error due to laboratory issues the fees associated with the repeat analysis conducted by Chemic Laboratories will be born by Chemic.

Payment terms... Payment (in US dollars) is required in full, in advance for all clients except those whose credit has been established with Chemic. For clients with approved credit, Chemic's standard terms of payment are net thirty (30) days, following the issuance of the draft report, or in accordance with special terms that are arranged prior to the commencement of a project. If these terms are not adhered to, a 1.75% per month interest charge will be assessed on all unpaid balances. Any deviation in payment terms must be agreed upon, in writing, prior to project initiation. Chemic reserves the rights to request payment in advance, if the established payment terms were not adhered to on any previous contract. In the event of a default payment for services rendered, the client is responsible for reasonable collection and/or legal fees. Subsequent to sixty (60) days of completion of a project, any overdue balance will be forwarded to Transworld Systems, Inc. for collection. The invoice will then reflect a 1.75% interest charge for the aforementioned sixty (60) days as well as a \$10 processing charge.

Billing... All fees are charged to the client directly. The billing of a third party will not be accepted without a statement, signed by the third party, which acknowledges and accepts payment responsibility. Any changes to a pre-established program scope must be submitted to Chemic Laboratories in writing for approval. Chemic Laboratories cannot be held responsible for deadlines exceeded due to such changes. Please FAX all requests for changes marked "Client Services: Urgent" to (781) 821-5651.

Fee Discounts... Economy of scale discounts are available and may be provided on a case-by-case basis. An officer of the company must approve these discounts. Quotations are provided free of charge and upon request. For established clients, discount rates are reviewed annually, and a new rate is applied to future invoices based on the previous years volume of work, type of analysis, ease of scheduling and work continuity. For clients with intermittent analytical needs, discounts may be extended based upon the quantity of work submitted at a single time. All discounts are contingent upon meeting payment terms. Chemic Laboratories reserves the right to suspend discounts on late payments. Discounts do not apply to services provided by hourly rate.

Rush Programs... A surcharge may be added to the fee if rapid reporting is requested or work is requested to begin immediately upon receipt of the sample or test article, dependent upon the analysis requested. Clients are informed of all surcharges prior to program initiation.

Sample Return... All samples and portions thereof will be disposed of by Chemic sixty (60) days after completion of the contract and fulfillment of any financial obligations. Clients requiring their samples returned should indicate such in writing or on the sample submission form. Samples will be returned to the client at their expense.

Reports... Chemic Laboratories prohibits the use of its name in connection with any unauthorized conclusions based upon its reports without prior written consent.

Reference Standards... Where product release of test material is requested by a Study Sponsor, Chemic Laboratories will make every attempt to utilize compendial grade reference standards with an accompanying certificate of analysis documenting purity. In the event compendial grade material is unavailable, it is the responsibility of the Study Sponsor to provide a qualified reference standard and acceptable documentation of product purity.

Product Release... Where Product release is requested, Chemic Laboratories must be provided specification in advance of product testing. In the event product specification is unavailable generated data will be reported for informational purposes only.

Litigation... All costs associated with the compliance to any subpoena or other official request for documents, for testimony in a court of law, any proceeding before an administrative or regulatory body, or for any other purpose relating to work performed by Chemic Laboratories in connection with work performed for that client, shall be paid for by the client. Such costs shall include, but are not limited to, hourly charges for persons involved in responding to subpoenas, travel, accommodations, mileage, attorney preparation of testimony and advice of counsel in connection with subpoenas or other legal matters pertaining to said litigation, as well as all other expenses deemed reasonable and associated with said litigation.

Warranty and Limits of Liability... In accepting analytical and manufacturing work, Chemic Laboratories warrants the accuracy of the test results for the test chemical as submitted to Chemic and the viability of the manufactured product as provided to the client as contractually intended. **THE FOREGOING EXPRESSED WARRANTY IS EXCLUSIVE AND GIVEN IN LIEU OF ANY OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING A WARRANTY OF FITNESS FOR PARTICULAR PURPOSE AND WARRANTY OF MERCHANTABILITY.** Chemic Laboratories accepts no legal responsibility for the purpose for which the client uses the test results or provided product. The limit of liability imposed upon Chemic shall not exceed the fees paid by the customer under the applicable order. No purchase order or other order for work shall be accepted by the company which includes any conditions that vary from the above described

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Standard Terms and Conditions without review and acceptance by a corporate officer. Chemic Laboratories hereby objects to any conflicting terms contained in any acceptance or order submitted by the client.

Indemnification... Customer assumes and shall indemnify and hold Chemic harmless from all responsibility to Customer and third parties for personal injury and property damage, including special, incidental, consequential or other indirect damages and lost profits, relating in any way to the services provided by Chemic. Customer shall defend at its sole expense any action brought against Chemic as a result of any personal injury or property damage. Customer further agrees to indemnify Chemic for all costs (including attorneys' fees) incurred by Chemic in defending any such claims or in establishing its right to indemnification.

Consequential Damages...In no event will Chemic be liable for any special, incidental, exemplary, punitive or consequential damages, including any damages resulting from loss of use, loss of profits or loss of business arising out of or in connection with any equipment, or software or the website or services provided pursuant to this agreement, whether in an action in contract or tort, including negligence, even if Chemic has been advised of the possibility of such damages.

Dispute Resolution In the event of any dispute or disagreement between Customer and Chemic with respect to the interpretation of any provision of any Order or these Standard Terms and Conditions, the performance of Chemic or Customer under any Order, or any other matter related to any Order, upon the written request of either party, authorized representatives of Customer and Chemic will meet for the purpose of resolving such dispute or disagreement. Those representatives will discuss the problem and negotiate in good faith without the necessity of any formal proceedings related thereto.

Arbitration... If a dispute or disagreement described in the paragraph above is not resolved as described in that paragraph, that dispute or disagreement shall be finally settled by binding arbitration held according to the commercial Arbitration Rules of the American Arbitration Association, by which Chemic and Customer agree to be bound. The sole venue for any arbitration shall be the City of Boston in the Commonwealth of Massachusetts, unless the parties otherwise agree in writing

Impossibility...If Chemic's performance is prevented, restricted or interfered with by reason of a force majeure event (as defined below), then Chemic shall be excused from that performance to the extent of that prevention, restriction, or interference. Chemic shall resume its performance promptly whenever such causes are removed. "Force majeure events" shall be any cause or condition beyond the reasonable control of Chemic, including but not limited to natural catastrophes, acts or omissions of a government or its agencies or departments, labor strikes, lockouts or other disturbances, wars, riots or difficulties in producing labor, energy shortages, shortage of suitable parts or materials, computer malfunctions, transportation problems, Customer's failure to fulfill its obligations or delays in delivery by Chemic vendors.

Solicitation of Employees ... The contracted client, during the conduct and for a period of one (1) year from the completion of the contracted work will not solicit, recruit, or hire any employee of Chemic Laboratories, Inc. Nothing herein shall preclude a Chemic Laboratories employee from pursuing and securing employment opportunities with another party on such employee's own initiation.

Entire Agreement... Each party acknowledges that it has read this agreement and no modification; Amendments, supplements to, or waiver of this agreement shall be binding upon the parties hereto unless made in writing and duly signed by both parties.

Contracts...All contracts are subject to review and approval by Chemic Laboratories, Inc.'s legal department and must be signed by a corporate officer.

Program Initiation...Chemic will not initiate a program until Chemic Laboratories, Inc. has received from the client an acceptance of Standard Terms and Conditions, and an assigned purchase order number or other method of payment. Additionally, for those programs, which are anticipated to extend beyond thirty days a program initiation fee up to 25% may be invoiced.

Program Cancellation and delay ... If a signed contract is cancelled at the request of the client, Chemic Laboratories, Inc. holds the right to charge a cancellation fee of up to 20% of the total project cost or 15% of any instrumentation dedication fee whichever is greater. Additional charges to be assessed at the discretion of Chemic Laboratories, Inc. may include project specific chemicals, instruments, supplies and shipping fees. A cumulative labor charge of \$140 per hour will also be assessed. For those programs which are contracted and subsections are subsequently placed on a "hold" status for following program initiation Chemic Laboratories reserves the right to continue the program sections which are unaffected by the hold status and subsequently revise the agreed upon invoicing schedule to accommodate laboratory full time equivalent hours (FTE). For those programs which are contracted are subsequently placed on a "hold" status for greater than 60 days, Chemic Laboratories reserves the right to cancel the program, forward any and all cancellations fees, and subsequently re-book the analytical and/or manufacturing program under a new contract number at the time the client reinitiates the program.