

Industrial Scientific Corporation iNet Terms and Conditions (US and Canada Only)

These Industrial Scientific iNet Terms and Conditions ("**Terms and Conditions**"), together with the iNet Usage Order, constitute the entire Agreement (the "**Agreement**") between Industrial Scientific ("**Company**") and the entity ("**Customer**") identified in the Order. The Company and Customer together may be identified as "**Parties**", and may be individually referred to as a "**Party**." Except where the context otherwise requires, words and expressions defined in the Order have the same meanings when used in these Terms and Conditions. Schedules A, B, C, D, and E are incorporated by reference into the Agreement.

1. Payment. Customer will pay all invoices in accordance with the Order and the following:

(a) Charges. In addition to the Subscription Fee, any and all charges for Customer's Internet connection and calibration gas will be paid by Customer.

(b) Expenses. Customer will reimburse Company for any reasonable, pre-approved travel expenses incurred by Company in the course of performing its duties under this Agreement. Such expenses could include, but are not limited to, expenses for food, lodging, rental car, mileage and airfare. Initial installation expenses are included in the Subscription Fee.

(c) Payment Terms. Customer will pay to Company the Subscription Fee, reimbursable expenses and any other fees and charges covered by this Agreement ("**Fees**"). Subscription Fees do not include taxes that may apply. Customer is responsible for all applicable sales, use, and any other taxes, duties and charges imposed by any government body or agency with respect to the Equipment and Subscription (except taxes based upon Company's income).

(d) Purchase Orders. In the event of a conflict between terms and conditions of a Purchase Order and this Agreement, the provisions of this Agreement will control. No legal terms and conditions on a Purchase Order will be binding upon Company without Company's written agreement.

2. Company Responsibilities. In addition to its other obligations set forth in this Agreement, Company will:

(a) deliver the Equipment to the Customer for the Term.

(b) promptly repair or replace, as described on Schedule E, any delivered Equipment that malfunctions or otherwise fails for any reason other than misuse (or negligent use) by Customer; however, if Equipment is placed on a product-hold for any reason, Company will notify Customer that repair/replacement Equipment will be delayed and of the anticipated length of such delay and will make diligent efforts to quickly resolve the product-hold.

(c) provide the type and level of service described on Schedule E.

(d) provide Company personnel to perform initial installation services having the credentials, training and screening stated on Schedule E, and, if Customer will require that Company's personnel have additional credentials, training, and/or screening beyond that identified on Schedule E, Customer agrees to pay all associated costs and expenses incurred by Company related to obtaining the additional credentials, training, and/or screening required by Customer.

(e) If Customer elects to rent additional equipment on a short term basis, the Rental Terms in Schedule D will apply.

3. Rights of Parties on Termination.

(a) Obligations After Termination. In the event that this Agreement is terminated or expires on its own terms, Company will have no further responsibilities to Customer.

(b) Return of Materials. Customer will return all Equipment supplied by Company within thirty (30) days after the expiration or termination of this Agreement for any reason. Customer is solely responsible for the cost of returning the Equipment to Company.

(c) Survival. Despite anything to the contrary set forth in this Agreement, no termination of this Agreement relieves any Party from any obligations pursuant to warranty, title, indemnification or confidentiality provisions, or any other obligations in this Agreement which are outstanding on, or relate to matters or claims occurring or arising prior to, the date of such termination or which survive such termination by their own terms.

4. Limited Warranty. The Equipment delivered under this Agreement is warranted for the shorter of (a) the Term of the Agreement; or (b) until Company replaces the Equipment. The Equipment is warranted to conform to Company's standard specifications as set forth in documentation provided to Customer. Company does not warrant that the Equipment will meet Customer's requirements, or that the Equipment will be error free. Company's sole obligation under the warranty is limited to correction of Equipment defects.

To the fullest extent permitted by applicable law, the limited warranty in this Section and the obligations and liabilities in these Terms and Conditions are in lieu of, and Customer waives, all implied guarantees and warranties, including without limitation, any warranty of merchantability or fitness for a particular purpose and it is in lieu of any liability of Company under any provisions of applicable law.

5. Indemnification, Limitation of Liability and Remedy.

(a) Indemnification. Company and Customer (individually, an "Indemnifying Party") agree to indemnify, hold harmless and defend the other and the other's respective officers, directors, agents, representatives, employees, and affiliates (the "Indemnified Parties"), at the Indemnifying Party's expense, from and against any and all claims, demands, actions, costs, expenses, liabilities, judgments, causes of action, proceedings, suits, losses and damages of any nature, which are threatened or brought against, or are suffered or incurred by, the other or any of the other's Indemnified Parties resulting from any of the Indemnifying Party's acts or omissions relating to this Agreement. This section includes without limitation (i) any negligent or tortious conduct; (ii) failure or any breach of any of their respective representations, warranties, covenants, agreements or conditions contained in this Agreement; and (iii) any violations of applicable laws or regulations. Customer will indemnify Company and its Indemnified Parties against any representations or statements not specifically authorized by Company in writing, including the extension of any warranties on products or services.

(b) Limitation of Liability. Neither Party will be liable to the other Party, or to any customer, employee, representative, officer, director, agent or affiliate of such other Party, for any **special, indirect, contingent, punitive or consequential damages, including but not limited to loss of profits, loss of business opportunities, or for losses or damages caused directly or indirectly by the Equipment and/or services delivered under this Agreement or the failure to deliver products or services under this Agreement.**

(c) Limitation of Remedy. If either Party should be held liable for damages to the other Party for any cause arising out of or related to this Agreement, or its breach, such damages, in the aggregate, will not exceed the lesser of (i) the Subscription Fee actually paid under this Agreement; or (ii) actual damages incurred. Each Party expressly waives its right to collect any greater amount.

(d) Use of Equipment. If Customer fails to fulfill its duties under § 4 (A) of the Order, **Company and its officers, directors, agents, representatives, employees and/or affiliates will not be liable for damages or injuries of any kind or nature incurred or suffered by Customer or any of its officers, directors, agents, representatives, employees and/or affiliates ("Customer Parties") that relate in any way to or arise from Company's provision or written reports, or failure to provide such reports, or delay in providing such reports to Customer or any of the Customer Parties, concerning data or analysis of data collected by the Equipment.**

(e) Indemnification for Providing Reports. In addition to the indemnification provided for in Section 5(a) and without limiting the provisions of Sections 5(b) and (c), Customer agrees to indemnify, hold harmless and defend Company and its officers, directors, agents, representatives, employees and affiliates, at Customer's expense, from and against any and all claims, demands, actions, costs, expenses, liabilities, judgments, causes of action, proceedings, suits, losses and damages of any nature which are threatened or brought against, or are suffered or incurred by Company, its officers, directors, agents, representatives, employees and/or affiliates that relate in any way to or arise from Company's provision of written reports, failure to provide such reports, or delay in providing such reports to Customer or any Customer Parties, as relates to any data or any analysis based upon any data collected by the Equipment provided under this Agreement. Customer is advised that Company cannot provide reports to Customer unless Customer docks the Equipment on a regular basis, preferably at least once a day. Docking the Equipment is what allows the data to be transmitted from the Equipment to the Company so that reports may be generated for Customer's use.

6. Disclosure and Confidentiality. The Parties agree that any technical or business information, including, but not limited to, the terms of this Agreement and its pricing terms, that is disclosed by one Party (the "Disclosing Party") to the other Party (the "Receiving Party") in connection with the performance of services under this Agreement ("Confidential Information") either orally or in writing, is to be treated as confidential and proprietary. The Parties agree that Confidential Information will be maintained in strict confidence and not used for any purpose unrelated to this Agreement nor disclosed to any third parties. The requirement to maintain information in strict confidence,

however, will not apply to Confidential Information that: (i) is or becomes generally available to the public through no wrongful act of the Receiving Party; (ii) was in the possession of the Receiving Party prior to the time it was acquired as a result of this Agreement and was not acquired, directly or indirectly, from the Disclosing Party or its affiliates or from others under an obligation of confidentiality; (iii) is independently made available as a matter of right to the Receiving Party by a third party without obligations of confidentiality, provided that such third party did not acquire such information directly or indirectly from the Disclosing Party or its affiliates; or (iv) is required by law to be divulged, provided that the Receiving Party required to make the disclosure must notify the Disclosing Party prior to any disclosure required by law.

The Parties agree to limit access to Confidential Information to their employees, agents, and representatives who reasonably require such access for purposes of this Agreement. The Parties agree to use their best efforts in requiring that their employees, agents, and representatives maintain Confidential Information in strict confidence.

(a) Customer Information. Company may collect, use and/or disclose information collected from Customer's use of the Equipment to any outside third party for iNet related research and development purposes as long as that such information is de-identified by collection on an anonymous basis and aggregated with similar information collected from other customers of Company for research and development purposes. Customer is advised that the information is stripped of all identifying information and cannot be traced back to the Customer.

7. General Provisions.

(a) Amendments. This Agreement may be amended only by a writing signed by each of the Parties, and any such amendment will only be effective to the extent specifically set forth in such writing.

(b) Governing Law.

(i) For US Agreements: This Agreement is a contract under the laws of the Commonwealth of Pennsylvania and for all purposes will be governed by and construed and enforced in accordance with the substantive laws of said Commonwealth without regard to its principles of conflicts of laws and the U.N. Convention on Contracts for the International Sale of Goods.

(ii) For Canadian Agreements: This Agreement shall be a contract under the laws of the Province of Alberta and for all purposes shall be governed by and construed and enforced in accordance with the substantive laws of said Province and applicable laws of Canada without regard to its principles of conflicts of laws and the U.N. Convention on Contracts for the International Sale of Goods.

(c) Mediation.

(i) For US Agreements: The Parties agree that they will submit any dispute related to or arising out of this Agreement to non-binding mediation in Allegheny County, Pennsylvania. Each Party will bear its own costs incurred in connection with the mediation; the mediator's costs and fees will be borne equally by the Parties.

(ii) For Canadian Agreements: The Parties agree that they will submit any dispute related to or arising out of this Agreement to non-binding mediation in Edmonton, Alberta. Each Party will bear its own costs incurred in connection with the mediation; the mediator's costs and fees will be borne equally by the Parties.

(d) Consent to Jurisdiction and Service of Process.

(i) For US Agreements: Each of the Parties irrevocably submits to the jurisdiction of the Court of Common Pleas of Allegheny County, Pennsylvania and to the jurisdiction of the United States District Court for the Western District of Pennsylvania for the purposes of any action or proceeding arising out of or relating to this Agreement.

(ii) For Canadian Agreements: Each of the Parties irrevocably submits to the jurisdiction of the Courts of Alberta, Canada, including the Court of Appeal of Alberta, for the purposes of any action or proceeding arising out of or relating to this Agreement or the subject matter of this Agreement.

(e) Assignment. Customer will not assign, pledge, sublet or otherwise transfer any of its rights, interest or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of Company which consent may be granted or withheld in Company's sole and absolute discretion. However, Customer may assign this Agreement to its affiliate without Company's

consent. Customer must give Company ten (10) days' prior written notice of any assignment to an affiliate. For purposes of this Agreement, an assignment shall include a sale of substantially all of Customer's assets or a merger or consolidation of Customer with one or more other entities in which Customer is not the surviving entity or the shareholders of Customer own less than a majority of the voting securities of the entity that survives the merger or consolidation.

(f) Force Majeure.

(i) No Party is liable for any failure to perform its obligations under this Agreement (other than accrued obligations to make payments of money) if such performance has been delayed, interfered with or prevented by an event of Force Majeure.

(ii) As used in this Section, "**Force Majeure**" means any circumstances whatsoever which are not within the reasonable control of the Party affected thereby, including without limitation an act of God, war, insurrection, riot, strike or labor dispute, shortage of materials, fire, explosion, flood, government requisition or allocation, breakdown of or damage to plant, equipment or facilities, interruption or delay in transportation, fuel supplies or electrical power, Internet connection, server or related equipment failure, embargo, boycott, order or act of civil or military authority, legislation, regulation or administrative rules (including without limitation any Executive Order issued by the President of the United States), or any inability to obtain or maintain any governmental permit or approval. The Party who declares Force Majeure will give prompt notice to the other Party of such declaration.

(iii) If the performance of any obligation has been delayed, interfered with or prevented by an event of Force Majeure, then the Party affected by such event will take such actions as are reasonably available to remove the event of Force Majeure or to mitigate the effect of such occurrence.

(iv) If an event of Force Majeure occurs, the obligations of the Parties under this Agreement (other than accrued obligations to make payments of money) will be suspended during, but not longer than, the continuance of the event of Force Majeure. If such event (alone or extended by another event of Force Majeure) continues so that the obligations of the Parties remain suspended for a period of twenty (20) continuous days and, at the end of such period or at any time following, during which such suspension continues uninterrupted, any Party, in the exercise of reasonable judgment, concludes that there is no likelihood that the event of Force Majeure will be removed in the immediate future, then any Party may terminate this Agreement without liability to any other Party (other than on account of accrued obligations to make payments of money) by giving to the other five (5) days' written notice of its intention to terminate.

(g) Counterparts. This Agreement may be executed in any number of counterparts, and by each of the Parties on separate counterparts, each of which, when so executed, will be deemed an original, but all of which will constitute but one and the same instrument. Counterparts of this Agreement (or applicable signature pages hereof) that are manually signed and delivered by facsimile transmission or PDF files will be deemed to constitute signed original counterparts hereof and will bind the Parties signing and delivering in such manner.

(h) Cumulative Remedies. The rights and remedies of the Parties defined in this Agreement are cumulative and not exclusive of any rights or remedies which the Parties would otherwise have. No single or partial exercise of any such right or remedy by a Party, and no discontinuance of steps to enforce any such right or remedy, will preclude any further exercise of such remedy or of any other right or remedy of such Party.

(i) Severability. If any provision of this Agreement is prohibited or unenforceable in any jurisdiction, the remaining portions of this Agreement will not be affected and will be considered valid and enforceable. If any provision is found to be prohibited or unenforceable in one particular jurisdiction, that will not automatically invalidate such provision in other jurisdictions.

(j) Successors and Assigns. This Agreement is binding upon and will be to the benefit of the Parties and their respective successors and permitted assigns.

(k) Publicity. Neither Party may use the name of the other in connection with advertising or publicity materials or activities without the prior written consent of the other Party. However, Company may include Customer's name on Company's customer list as well as Customer's name and logo on Company's corporate website (www.indsci.com).

SCHEDULE D: RENTAL PROGRAM

Company offers a Rental Program for Customer's short term gas detection needs. Rental equipment provided under the Rental Program ("**Rental Equipment**") is separate from the Equipment provided under this Agreement in Schedule B. Rental Equipment provided under the Rental Program is also priced separately from the rest of the Equipment provided under Schedule B. If Customer elects to participate in Company's Rental Program, Customer should submit a separate Purchase Order for the Rental Equipment. The terms of this Agreement shall extend to all Rental Equipment requested by Customer under the Rental Program as specified in Schedule D. The following provisions in this Schedule D apply only to the Rental Program:

RENTAL PERIOD: The Rental Period begins the day Customer receives the Rental Equipment and ends the day Customer ships the Rental Equipment back to Company. The minimum rental period is one week (seven (7) consecutive calendar days). Customer will be charged the lesser of the applicable weekly rate or monthly rate. Either Party may terminate the Rental Program by providing written notice to the other Party.

RENTAL EQUIPMENT SERVICING: Only Company may service the Rental Equipment. All Rental Equipment is regularly serviced prior to rental. Customer will notify Company immediately if a service problem develops in the field. In most cases, a replacement instrument will be issued to eliminate instrument down time. Repair or servicing by an unauthorized repair facility will invalidate limited warranty provided in Section 4 of the Industrial Scientific iNet Terms and Conditions.

RENTAL EQUIPMENT SHIPPING METHODS AND COSTS: Customer shall pay delivery shipping costs associated with the Rental Program. For rentals in the United States only, Company will pay the return shipping costs provided Customer uses the supplied pre-paid Fed Ex return label. Customer agrees to pay return shipping costs for all rentals outside the United States or if it fails to use the pre-paid Fed Ex label for rentals in the United States. If Customer decides to increase or decrease the amount of Rental Equipment under this Rental Program, only the rental costs are impacted.

CALIBRATION: There are no charges for standard pre-calibration or post-calibration of the Rental Equipment as long as no other service is required. Calibration to nonstandard gases is usually available for an additional fee.

DECONTAMINATION: Customer is required to protect the Rental Equipment from environmental contamination, and if necessary, is required to decontaminate the unit. In cases where the Rental Equipment is exposed to or coated with toxic chemicals, it is mandatory that Company be notified in writing of the contaminating materials that may be present. Failure to decontaminate the equipment shall result in a service fee.

SUBLEASING: No subleasing or sub renting is allowed without the written permission of Company.

LOSS OF USE: Should the Rental Equipment fail during the Rental Period for any reason, Customer agrees to immediately contact Company for instructions or diagnostic aid. Replacement instruments are typically available immediately. Company shall not be responsible for incidental or consequential losses resulting from instrument down time.

CREDIT TERMS: Customer agrees to credit terms of net 30 days from the invoice date and a financing charge of 1.5% per month on overdue items. Customer further agrees to pay any collections costs incurred to collect the account balance, including reasonable attorney's fees.

SCHEDULE E

Part A: SCHEDULE OF SERVICES

Company will perform the services relating to and consisting of the following:

Provide and install hardware and software as detailed in Schedule B, which will calibrate and service the detection Equipment selected by Customer, and enable Customer to transmit detection readings to Company over the Internet.

Monitor the condition of the instruments from information transmitted to Company via the Internet.

Provide replacement instrument(s) when an instrument problem is detected.

Provide rental equipment as needed. See Schedule D.

Part B: SCHEDULE OF SCREENING, BACKGROUND CHECKS AND TRAINING

Company personnel known as Field Service Technicians have the following:

- 1) Drug and alcohol screening through DISA Contractors Consortium—Drug screening is done through urinalysis, hair follicle and breathalyzer tests. Screening is done pre-employment and on a random basis in which fifty percent (50%) of the technicians are tested every six (6) months. Company's DISA Number is: 7528.
- 2) Background checks through Justifacts Credential Verification, Inc. on a pre-employment basis.
- 3) Transportation Workers Identification Card ("TWIC")—issued through the US Department of Homeland Security and includes a comprehensive background check.

If Customer will require drug and alcohol screening or background checks in addition to those listed above, Customer agrees to pay all costs associated with such additional drug and alcohol screening or background checks.

Additionally, Customer may request that Field Service Technicians undergo any of the following safety-related training, provided a single training activity or any combination of training activities shall not exceed three (3) hours:

- 1) Watch a safety video less than one (1) hour in length;
- 2) Complete computer based training (CBT) less than one (1) hour in length located at the site the technician will be performing services; or
- 3) Receive oral safety training or briefing less than one (1) hour in length.

If Customer will require safety training in addition to that listed above or training longer than the time frame identified above (3 hours maximum), Customer agrees to pay all costs associated with such additional safety training and, in addition, to pay the current per day labor rate for a technician.