



STANDARD TERMS AND CONDITIONS OF SALE

The following standard terms and conditions of sale (these “**Terms**”) constitute the entire agreement between Tanos Inc. (“**TANOS**”) and the customer (“**Customer**”) identified in the purchase order (“**Purchaser Order**” or “**Order**”) delivered to TANOS. TANOS will not be bound by any terms set forth in any Order that conflict with any of these Terms. Any term or condition set forth in a Purchase Order that is not consistent with these Terms are hereby rejected, regardless of any Order acknowledgement from TANOS. All Purchase Orders received from TANOS shall be deemed to have these Terms incorporated therein. The only form of acceptance of an Order is TANOS’s written acknowledgment accepting such Order. Any such acceptance is expressly conditioned on assent to these Terms. By submitting a Purchase Order to TANOS, or by receiving any Product (as defined herein) from TANOS, Customer shall be deemed to have assented to these Terms. If tender of these Terms is deemed an offer; acceptance is expressly limited to these Terms.

1. PRODUCTS:

1.1 “**Products**” shall mean any products or services identified by Customer to be supplied by TANOS pursuant to the written specifications provided by Customer and accepted in writing by TANOS (the “**Specifications**”). TANOS’s acceptance of the Specifications shall not be construed as TANOS approving the Products or the adequacy or sufficiency of the Specifications. TANOS is providing the Products at Customer’s request and TANOS is not advising Customer regarding the use or intended use of the Products. Any approvals required for the Products are the sole responsibility of Customer. Any disclaimers required for the Products are the sole responsibility of Customer. Any representations made about the Product or the finish product into which the Product is made are those of Customer and not of TANOS. TANOS expressly disclaims any proposed uses of the Product with any other product or any representations about any use of the Product, or any type of health or therapeutic value the Product may have in any way, including as a drug or dietary supplement.

2. ORDERS: Customer shall purchase Products by delivering a Purchase Order to TANOS. Each Purchase Order shall constitute a firm offer and shall indicate specific Products quantity, price, total purchase price, shipping instructions, requested delivery dates, bill-to and ship-to addresses, tax-exempt certifications, if applicable, and any other special instructions. Any contingencies contained on such Purchase Order are not binding upon TANOS. All Orders are subject to written acceptance by TANOS. Any Order not accepted in writing by TANOS shall be deemed rejected. A Purchase Order may be accepted by TANOS by email and such email shall constitute a writing only for purposes of TANOS accepting the Order.

3. PRICES: All prices are (a) in the case of a quotation from TANOS, firm for the period set forth in the quotation from TANOS and otherwise TANOS may change its prices at any time without prior notice to Customer, but such change shall not affect any accepted Purchase Order, (b) EXW TANOS’s facility (Incoterms 2010), (c) exclusive of Taxes (as defined herein) and all handling or other charges, including, without limitation, insurance, brokerage fees, transportation or special packaging (collectively, “**Charges**”) and (d) in U.S. currency unless otherwise specified by TANOS. All sales are final. Title to Products (excluding services) shall pass from TANOS to Customer upon release from TANOS’s facility. Any tax or other charge which TANOS is liable to collect on behalf of any governmental authority (“**Taxes**”) as a result of the sale, use or delivery of Products, including, without limitation, duties, value-added and withholding taxes, is the responsibility of Customer, and if paid by TANOS may, to the extent known at such time by TANOS, be charged to Customer as a separate item on the invoice.

4. TERMS OF PAYMENT: Upon credit approval by TANOS, payment terms shall be net 30 days from the date of the shipment, or in the case of services, net 30 days from the date of substantial completion. TANOS reserves the right to require alternative payment terms including, without limitation, letter of credit or payment in advance. If at any time Customer is delinquent in the payment of any invoice or is otherwise in breach of these Terms, TANOS may, at its discretion, stop performance of services or withhold shipment (including partial shipments) of any Order and may, at its option, require Customer to pre-pay for further performance or shipments. All payments not received when due shall be subject to an additional charge of one percent per month (12% per annum) of the unpaid amount or the maximum rate permitted by law, whichever is less, until the date of payment. There is no set-off right for Customer.

5. PERFORMANCE AND SHIPPING: Performance and shipping dates specified or communicated by TANOS to Customer are approximate dates only and the failure to perform or ship on such dates shall not be considered a breach by TANOS. TANOS shall be permitted to make partial shipments of Products with the consent of the Customer (which consent shall not be unreasonably withheld or delayed). Delivery shall be deemed made upon transfer of possession at TANOS’s facility. All claims for shortage of Products ordered or for incorrect Charges must be presented to TANOS within 10 days after receipt by Customer of the particular shipment of Products. Customer shall be responsible for all Charges approved by Customer. TANOS shall not be liable for damages or penalty for delay in delivery or for failure to give notice of any delay, and no carrier shall be deemed to be an agent of TANOS. Notwithstanding any provision of these Terms, each Product shall be deemed accepted by Customer upon delivery.

6. CANCELLATION: Customer may not cancel, terminate, suspend performance of, or issue a hold on, any Customer Order, in whole or in part, without the prior written consent of TANOS, which consent, if given, shall be upon terms that will

compensate TANOS for any loss or damage therefrom, including but not limited to any work in process or services performed, the price of Products shipped to, manufactured for, or held separately for, Customer, and loss of incurred costs, and a reasonable allocation of general and administrative expenses relating to the Products.

7. LIMITED PRODUCT WARRANTY: Notwithstanding any provision to the contrary (but subject to the operation of any law to the extent it cannot be excluded), TANOS's sole and exclusive obligations to Customer for any Product made by TANOS and sold hereunder are to repair returned Product or provide a replacement Product, at TANOS's sole option, for any Product which has been returned to TANOS under the RA procedure (as defined below) and which in the reasonable opinion of TANOS is determined to be defective in workmanship, material or not in compliance with the Specifications at the time the Products are released to Customer at TANOS's facility (the "**Release Date**"). TANOS reserves the right, at its sole option, to issue a credit note for any defective Product as an alternative to repair or replacement. The warranty provided herein shall extend to any Product which has proved defective as of the Release Date and does not cover any Product or parts thereof which has been accidentally damaged, modified, misused, repaired or reworked (by any party other than TANOS or its authorized agents), improperly stored or handled, used in conjunction with another product, or used in any applications, neglected, improperly installed or otherwise abused or is used in hazardous activities. Customer must claim under the warranty in writing not later than 30 days after the claimed defect is discovered. TANOS warrants that services will be performed in a good and workmanlike manner in accordance with standards reasonably applicable to the services, and will re-perform any services which TANOS determines are not in compliance with this warranty which Customer brings to TANOS's attention, in writing, on or before 30 days immediately following completion of the applicable service. This service warranty is the only warranty that applies to the provision of contract manufacturing. Customer must make all claims under these warranties and no claim will be accepted from any third party. The warranties set forth herein are non-transferable. NOTWITHSTANDING ANY PROVISION OF THESE TERMS OR OTHER RELATED DOCUMENTATION (INCLUDING WITHOUT LIMITATION ANY SPECIFICATIONS) TO THE CONTRARY, THE PROVISIONS OF WARRANTIES SET FORTH HEREIN ARE CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES FOR ANY DEFECTIVE OR NONCONFORMING PRODUCTS OR SERVICES.

8. RETURN MATERIAL AUTHORIZATION PROCEDURE: TANOS will only accept Products returned under the TANOS Return Authorization ("**RA**") procedure. Customer shall obtain an RA number from TANOS prior to returning any Product and return the Product prepaid and insured to the TANOS facility.

9. LIMITATION OF LIABILITY; INDEMNIFICATION BY CUSTOMER: EXCEPT FOR THE LIMITED WARRANTY STATED HEREIN FOR CUSTOMER, NO WARRANTY, CONDITION OR REPRESENTATION, EXPRESS, IMPLIED, ORAL OR STATUTORY, IS PROVIDED TO CUSTOMER OR ANY THIRD PARTY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY, CONDITION OR REPRESENTATION OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SATISFACTORY QUALITY, OR ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE. THIS DISCLAIMER AND EXCLUSION SHALL APPLY EVEN IF THE EXPRESS WARRANTY HEREIN FAILS OF ITS ESSENTIAL PURPOSE. CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES HEREUNDER AND THE ONLY LIABILITY OF TANOS IS EXPRESSLY LIMITED TO THE TERMS OF THESE TERMS. TANOS SHALL NOT BE LIABLE TO CUSTOMER, OR ANY THIRD PARTY, FOR ANY DAMAGES OTHER THAN REPAIR OR REPLACEMENT OF THE PRODUCT. TANOS SHALL NOT BE LIABLE TO CUSTOMER, OR ANY THIRD PARTY, FOR ANY DAMAGES, INCLUDING, WITHOUT LIMITATION, SPECIAL, CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, INDIRECT COSTS, LOSS OF PROFITS ARISING FROM ANY CAUSE WHATSOEVER, REGARDLESS OF THE FORM OF THE ACTION, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH COSTS OR DAMAGES. FOR PURPOSES OF THIS PROVISION, TANOS INCLUDES TANOS'S DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, SUBCONTRACTORS AND SUPPLIERS.

10. COMPLIANCE WITH LAWS BY CUSTOMER; CUSTOMER TO HOLD TANOS HARMLESS: Customer shall perform any and all testing of the Products, obtain all licenses, permits and approvals required by any government and shall comply with all applicable laws, including rules, regulations, orders, conventions, ordinances or standards, that relate to the manufacture, marketing, labeling, transportation, importation, exportation, licensing, approval, or certification of the Products, including laws relating to consumer protection and public health and safety, of any and all applicable governments and other competent authorities. Customer will indemnify and hold TANOS and its directors, officers, employees, agents, representatives, subcontractors and suppliers (collectively, the "**Indemnitees**") harmless for any violation or alleged violation by Customer from any liability claims, demands, or expenses (including attorneys' fees and other professional fees, settlements and judgments) relating to Customer's noncompliance with any terms or conditions set forth in these Terms or the sale of the Product by Customer.

11 GENERAL TERMS:

11.1 The validity, interpretation and performance of these Terms shall be governed by and construed under the applicable laws of the State of North Carolina and the United States of America, as if performed wholly within the state and without giving effect to the principles of conflict of laws. The parties specifically disclaim the application of the United Nations Convention on Contracts for the International Sale of Goods. TANOS and Customer hereby irrevocably and unconditionally submit to the jurisdiction of the courts of the State of North Carolina and all courts competent to hear appeal therefrom.

11.2 TANOS shall not be liable for delay or failure in performance whatsoever due to acts of God, shortage of supplies, transportation difficulties, labor disputes, riots war, fire, explosion, epidemics, or other occurrences beyond TANOS's reasonable control or due to unforeseen circumstances.

11.3 Waiver of any provision herein must be in writing and shall not be deemed to be a waiver of such provision or other provision in the future.

11.4 Customer shall consider all commercial, financial or technical information, as well as trade secrets embodied in Products, and documents furnished by TANOS and any other information provided to Customer to be confidential, in perpetuity, and Customer shall not disclose any such information or documents to any other person or entity or use such information or documents for any purpose. No confidential information disclosed in any manner or at any time by Customer to TANOS shall be deemed secret or confidential unless the parties enter (or have entered) into a confidentiality agreement with respect thereto.

11.5 Neither these Terms nor any rights under these Terms, other than monies due or to become due, shall be assigned or otherwise transferred by Customer (by operation of law or otherwise) without the prior written consent of TANOS. These Terms shall bind and inure to the benefit of the successors and permitted assigns of the parties.

11.6 In the event that any of these Terms, apart from payment, become or are declared to be illegal by any court of competent jurisdiction, such terms shall be null and void and shall be deemed deleted from these Terms, but only to the extent that such term is illegal, it being the intent and agreement of the parties that these Terms shall be deemed amended by modifying such term to the extent necessary to make it legal while preserving its intent or, if that is not possible, by substituting therefore another term that is legal and achieves the same objective. All remaining terms set forth in these Terms shall remain in full force and effect.

11.7 Neither party has the right or authority to, and shall not, assume or create any obligation of any nature whatsoever on behalf of the other party or bind the other party in any respect whatsoever. TANOS neither assumes nor authorizes any third party, person or entity to assume or accept any liability or obligation, or to make any commitment for TANOS with regard to TANOS services or the Products.

11.8 Titles and captions contained in these Terms are inserted only as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of these Terms or the intent of any provision hereof.

11.9 These Terms constitute the entire agreement between the parties hereto concerning the subject matter of these Terms, apart from existing non-disclosure agreements, and there are no understandings, agreements, representations, conditions, warranties, or other terms, express or implied, which are not specified herein. These Terms may only be modified by a written document executed by authorized representatives of TANOS and Customer. Each party to these Terms hereby acknowledges that such party has not relied on any promise, representation or warranty that is not set forth in these Terms. Except as otherwise set forth in these Terms, these Terms may not be amended, modified or supplemented except in writing signed by all of the parties.

12 INSURANCE: Customer shall maintain insurance coverage for the Products as may be reasonably requested by TANOS. At least annually, and within 10 days of TANOS's request, Customer will furnish to TANOS a certificate showing compliance with this requirement or certified copies of all insurance policies. The certificate will provide that TANOS will receive 30 days prior written notice from insurer of any termination or reduction in the amount or scope of coverage. The existence of insurance does not release Customer of its obligations or liabilities under these Terms.

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