

Terms and Conditions of Purchase

1. MODIFICATIONS AND VARIATIONS - No modification or variation in any of the terms, conditions, deliveries, prices, quality, quantity and specifications of this order, irrespective of the wording of Seller's acceptance, shall be effective and binding upon Buyer without Buyer's written consent. For purposes of these terms and conditions of purchase, the term "order" shall refer to any Buyer purchase order, scheduling agreement or delivery schedule provided to Seller. Any term or condition in Seller's quotation or terms of sale, in any way inconsistent or contrary to any of the terms or conditions of this order, shall be construed in the light of this order, and such terms and conditions as contained in this order shall supersede and shall be read instead of the terms and conditions as set forth in Seller's quotation or terms of sale. The terms hereof constitute the entire agreement and there are no other representations, understandings or agreements, express or implied. Buyer hereby expressly limits Seller's acceptance to the terms and conditions stated herein. All implied warranties and remedies in favor of Buyer implied by any applicable statute, including without limitation the Uniform Commercial Code and the Sale of Goods Act, are incorporated herein.
2. NON-ASSIGNMENT AND SET-OFF - Seller shall not assign this order or any interest therein or any payment due or to become due hereunder without the written consent of Buyer. Buyer may set off against amounts payable to Seller hereunder any claim or charge it may have against Seller. Buyer shall be entitled to assign its rights and its performance in whole or in part without the consent of Seller.
3. PACKING AND SHIPMENT - All items shall be suitably packed, marked and shipped in accordance with requirements of common carriers, in a manner to secure lowest transportation costs, unless otherwise specified. Buyer will not allow extra charges for boxing, packing, cartage or other similar charges unless previously agreed to in writing. Buyer's purchase order number and each individual part number must be plainly marked on all invoices, packages, packing slips included with material, shipping documents and correspondence, together with Buyer's purchase order line number, if available. A separate invoice shall be issued for each shipment, no invoice of Seller shall cover items referred to in more than one purchase order of Buyer, and all invoices must show net or cash discount terms. Unless otherwise specified in the order, no invoice shall be issued prior to shipment of items and no payment will be made prior to receipt, and any payment period shall be computed from date of receipt of items at final destination and correct invoice to date Buyer's check is mailed. Unless freight and other charges, where applicable, are itemized, discount will be taken on full amount of invoice. No C.O.D. shipments will be accepted nor will drafts for this purpose be honored unless previously agreed to in writing. Shipping instructions must be adhered to when specified and

additional costs resulting from deviation will be charged to Seller's account.

4. DELIVERY - Time of delivery is of the essence of this order. Seller agrees to provide Buyer with a written acknowledgement of the order within one (1) week of the date of the order. Said acknowledgement shall contain the purchase order number, part number, part description, request date, delivery date, price, quantity and shipping terms. Delivery shall not be deemed to be complete until goods have been actually received and accepted by Buyer, notwithstanding any agreement to pay freight, express, or other transportation charges. Seller shall follow the delivery schedule provided by Buyer and shall not make deliveries later or earlier than dates shown therein. If items are shipped in advance of scheduled delivery dates, Buyer may return them at Seller's expense and they will be reshipped at Buyer's instruction. Seller shall immediately notify Buyer if unable to meet delivery requirements. If it appears Seller will not meet the specified schedule, Seller shall, if requested by Buyer, ship via air freight or other expedited routing to avoid or minimize delay to the maximum extent possible, the added cost to be borne by Seller. If Seller does not adhere to the delivery schedule, Buyer may agree to a revised delivery schedule or cancel the order or remainder thereof without liability, purchase elsewhere and charge Seller with any loss incurred through its failure to deliver. Acceptance by Buyer of late delivery of either the whole or a part of the order shall not constitute a waiver of Buyer's claim for any damages that the late delivery may have caused.

5. QUANTITIES - Shipments must equal exact amounts ordered unless otherwise agreed in writing by Buyer. Buyer may refuse over shipments and shipments of less than the quantity ordered and return same at Seller's expense. Seller acknowledges and agrees that the items, material and quantities contained in an order are estimates of Buyer's annual usage only and do not constitute a commitment by Buyer to purchase the full estimated annual usage from Seller. Buyer has the right to terminate any order, in whole or in part, at any time in accordance with these terms and conditions of purchase.

6. WARRANTY, INSPECTION AND ACCEPTANCE - Seller expressly warrants that all items covered by this order will be merchantable and free from defects (whether known or unknown by Seller) in materials and workmanship, and will conform to the specifications, drawings, samples, intended use, or other descriptions furnished or specified by Buyer, or agreed to in writing. Seller further warrants that all such items which are supplied in accordance with Seller's specifications, drawings or samples, or which are listed in Seller's catalog, or which are also manufactured for others by Seller, will be fit and serviceable for the purposes for which used or for the purposes specified. Such warranties together with all other warranties and guarantees of Seller, shall run in favor of Buyer and its customers (and for that purpose Buyer is and shall be deemed to

be acting as agent or trustee on behalf of and for the benefit of persons who are or might be from time to time its customers and their respective successors and assigns, and Seller expressly agrees not to assert lack of privity as a defense to any claim by any such customer). Seller shall promptly repair or replace any nonconforming goods, without cost to Buyer, for the period specified on Seller's warranty but no less than a period of twenty-four (24) months from date of shipment to Buyer. If Seller does not take action to correct the nonconformity within a reasonable time, but in no event later than one week after notice by Buyer of the nonconformity, Buyer may (but is not required to) effect repairs, and Seller shall reimburse Buyer for all expenses incurred. Such actions on the part of Buyer shall not relieve Seller of any responsibility or liability with respect to such goods. If the nonconformity cannot be corrected, the nonconforming goods shall be removed at Seller's expense and Seller shall, without cost to Buyer, and at Buyer's sole option (a) furnish other goods satisfactory to Buyer on the same terms set forth in the order or (b) promptly refund the purchase price in full or that portion that has been paid by Buyer along with Buyer's costs incurred for transporting the goods to and from the delivery point. All items will be subject to test and inspection by Buyer at place of manufacture and shall be received subject to Buyer's final inspection and acceptance at destination and right of rejection for cause on arrival or within a reasonable time thereafter. If items are not in accordance with Buyer's orders and specifications, Buyer's options include any one or more of the following actions: (1) reject or hold for a reasonable time awaiting Seller's shipping instructions, but at Seller's sole risk, expense and disposal including transportation costs both in and out, (2) return to Seller for full credit at the order price, including transportation costs both in and out, without prejudice to any right to damages for such breach, (3) require Seller at Seller's expense to replace rejected items at the unit price of this order, (4) consider this order breached as to the rejected quantity and cancelled as to any unfilled portion of this order, and hold Seller fully liable for such breach and cancellation, or (5) if Buyer's production schedule, in Buyer's judgment, requires Buyer to perform additional work or rework on defective or incorrect parts to make them usable to Buyer, Buyer may perform such work at the expense of Seller, and the performance of work on such parts by Buyer shall in no way invalidate any warranty of quality on the goods. Payment for items prior to final inspection shall not constitute acceptance thereof. Risk of loss or damage to goods shall not pass to Buyer until Buyer has inspected and/or accepted the goods. By acceptance of this order Seller warrants to Buyer that all goods furnished under this order shall be in compliance (and certified to be in compliance) with the requirements and standards of the Williams-Steiger Occupational Safety and Health Act of 1970 (Public Law 91-596) and all other applicable federal, state, provincial and local

occupational safety and health legislation. In addition, Seller agrees to furnish Buyer with hazardous material data sheets and material safety data sheets on all goods supplied by Seller.

7. CHANGES - Buyer may at any time, by written order, make changes within the general scope of this order in any one or more areas: (1) drawings, designs and specifications, (2) method of shipment, (3) place of delivery, inspection and acceptance, (4) reasonable increases or decreases in quantity, (5) sourcing and supplier(s), (6) material, process and testing requirements, and (7) reasonable changes in delivery schedules. Seller shall proceed immediately to perform this order as so changed. If such a change causes an increase or decrease in cost or time required for the performance of this order these factors are to be negotiated with Buyer prior to effecting the change. Written change orders do not relieve Seller from liability for failure to perform.

8. TERMINATION - Buyer may at any time terminate this order in whole or in part for convenience by written notice to Seller. Upon termination for convenience, Seller shall thereupon as directed cease work and as directed deliver to Buyer all finished goods based on the rolling forecast negotiated between the parties ("Finished Goods") and Buyer shall pay the Seller the price stipulated in this order for all Finished Goods which have been completed prior to such termination and which are accepted by Buyer. Any failure by Seller to perform its obligations under this order, which failure shall be determined by Buyer in its sole discretion, shall be a ground for Buyer to cancel the order or the affected portion of the order for cause. Upon termination for cause, Seller shall not be entitled to any compensation pursuant to such termination, except for the actual value of the Finished Goods delivered by Seller and accepted by Buyer, prior to termination, which amount shall not exceed the purchase price of such delivered and accepted goods. Subject only to that exception, Seller shall refund Buyer any monies paid to Seller up to the point of termination. The provisions of this clause are without prejudice to the rights of Buyer in the event of any failure on the part of Seller to comply with the delivery schedule or other provisions of this order. Buyer reserves the right to cancel all or any part of this order if Seller ceases to carry on business, if it becomes insolvent, if it files an assignment in bankruptcy, if it seeks the protection of any statute providing for a moratorium on its obligations, or if an order is made declaring it to be bankrupt or insolvent.

9. INFRINGEMENT - Seller at its own expense agrees to defend any and all claims and/or actions against Buyer and/or its employees, officers, directors, agents, distributors, dealers, representatives, or users of any of Buyer's products, and to indemnify and hold Buyer and/or its distributors, dealers, representatives, or users of any of Buyer's products harmless against all costs, damages and expenses, including reasonable legal fees and disbursements (including court costs), arising from any infringement or alleged

infringements of patents, copyrights, trademarks, trade secrets or other intellectual property rights or violation of any third party property rights resulting from the use or sale of the items purchased hereunder .

10. PRICE - If Seller is not in full agreement with price and terms indicated herein, Seller will notify Buyer before proceeding with order. Seller is not to fill this order at a price higher than shown on the face of this order without authorization from Buyer. Seller will give Buyer the benefit of any price reduction made by Seller in the United States or Canada during the period of this contract, such reduction to apply on quantities undelivered at the date of such reduction. All orders where the price is left open are subject to cancellation and return of the goods if Seller's prices are not agreeable to Buyer.

11. TAXES - Unless otherwise specified in this order, the prices do not include all applicable taxes.

12. COMPLIANCE WITH LAWS - Seller shall comply with all applicable federal, state, provincial and local laws and executive orders and regulations, including without limitation, all U.S. export control laws, OFAC regulations and environmental laws. Seller agrees to indemnify and save Buyer harmless from and against any and all costs, expenses, including reasonable legal fees and disbursements, penalties, or other liabilities attributable to Seller's violation of this requirement.

13. CONFIDENTIALITY - All drawings, specifications, technical data, or other information furnished to Seller by Buyer in connection herewith are and shall remain the property of Buyer, and shall not be reproduced or used in any way except in the performance hereunder, or disclosed to third parties or used in any manner detrimental to Buyer. Upon completion or termination of this order, Seller shall return to Buyer all information furnished by Buyer in connection with the performance of this order.

14. TOOLING - Unless otherwise agreed in writing, all tools, equipment or material furnished to Seller by Buyer, or specifically paid for by Buyer and any replacement thereof shall be and remain the property of Buyer. Such property shall be plainly marked or identified as Buyer's property. Seller shall not substitute any property for Buyer's property and shall not use such property except in filling Buyer's orders. Seller agrees to execute any and all documents necessary to evidence Buyer's right, title and interest in such property. Such property, while in Seller's possession or control, shall be held at Seller's risk and shall be subject to recall by Buyer unless otherwise indicated. Seller agrees at its cost to insure all of Buyer's tools, equipment and materials on a replacement cost basis against loss or damage with insurers satisfactory to Buyer and naming Buyer and any other party designated by Buyer as an additional insured and loss payee on the applicable insurance policies in an amount not less than required to cover any loss or damage to such tools, equipment and materials.

Seller agrees to provide a certificate or other evidence of such insurance to Buyer upon request.

15. NONDISCRIMINATION - The Equal Employment Opportunity Clause in Section 202 of Executive Order NO. 11246 as amended, relative to equal opportunity and the implementing rules and regulations of the Office of Federal Contract Compliance, is incorporated herein by specific reference. The Seller shall also comply with all federal laws, rules and regulations applicable to subcontractors/vendors of government contractors including those related to Affirmative Action in Employment to minorities and women (Executive Order 11240, as amended), Individuals with Disabilities (Section 503 of the Rehabilitation Act of 1973, as amended) and Vietnam ERA/Disabled Veterans (Vietnam ERA Veterans Readjustment and Assistance Act of 1974, as amended, 38 USC 4212). These clauses required by the government are incorporated herein by reference. The relevant affirmative action requirements of Executive Order 11246, the Rehabilitation Act of 1973, the Vietnam Era Veterans Readjustment Act of 1974, and the Veteran's Employment Opportunities Act of 1998 (VEOA) and the implementing rules and regulation are incorporated by reference. The Seller also agrees to comply with the provisions of Executive Order 13496 (29 CFR part 471), relating to the notice of employee rights under federal labor laws.

16. FAIR LABOR STANDARDS ACT - In accepting this order, Seller shall be deemed to represent that the goods to be furnished hereunder were or will be produced in compliance with all applicable requirements of sections 6, 7 and 12, of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under section 14 thereof.

17. RESPONSIBILITY - Seller shall indemnify and hold Buyer, Buyer's employees, officers, directors, agents, representatives, distributors and dealers, or users of Buyer's products, harmless, at Seller's expense, from all liability, loss, and expense (including reasonable legal fees, disbursements, and court costs) or claims therefor, arising out of Seller's acts or omissions, death or injury to any person or damage to any property, by whomsoever suffered, connected with or resulting from goods or services purchased under this order. Evidence of Seller's insurance coverage for these risks must be furnished to Buyer upon request. Where work in connection with this order is to be done by Seller on the premises of Buyer, Seller further agrees to fulfill, at his expense, all the provisions of the workers' compensation legislation in force in the jurisdiction in which said work is to be done and to include any person (s) employed by him outside of his place of business so that Seller and not Buyer will be liable as employer under the said legislation. Seller further agrees to carry, at his expense proper liability and property damage insurance acceptable to Buyer, covering work done by Seller on the premises of Buyer, to be evidenced by insurance certificates, if requested by Buyer. If furnishing service or materials on Buyer's premises, Seller must in

all cases keep the premises upon which it does so free and clear of all liens arising out of or in connection with this order.

18. GRATUITIES - Seller warrants that it has not offered or given and will not offer or give to any employee, agent or representative of Buyer any gratuity with a view towards securing any business from Buyer or influencing such person with respect to the terms, conditions or performance of any contract with or order from Buyer. Any breach of this warranty shall be a material breach of each and every contract between Buyer and Seller.

19. FORCE MAJEURE - Buyer reserves the right to cancel or modify any or all parts of the order without liability in the event of a fire, accident, strike or any other condition beyond Buyer's control, including, but not limited to, any act of God, or any act by government or its officials or agents.

20. QUALITY - Seller agrees to comply with Buyer's quality assurance requirements attached hereto and made a part hereof.

21. LANGUAGE - The parties do hereby agree that this purchase order and all related documents be drawn up in the English language only. Les parties aux présentes ont convenu que ce bon de commande et tous les documents s'y rattachant soient rédigés en langue anglaise seulement.

22. STANDARDS OF BUSINESS CONDUCT - Seller shall adopt and comply with a policy statement or code of conduct regarding business ethics ("Code"). This Code will be suitable for Seller's business and as a minimum will require compliance with all applicable laws and regulations. The Code shall assure a safe and healthy work environment, prohibit the use of child or forced labor, provide for the protection of the environment and minimization of waste, emissions, energy consumption and the use of materials of concern and prohibit engagement in corrupt practices (e.g. facilitating, offering or paying any bribe). This provision creates no additional duties for Buyer with respect to Seller and confers no rights on third parties.

23. GENERAL - Seller's fulfillment of Buyer's order will constitute acceptance of these terms and conditions. Waiver of any default hereunder shall not be deemed a waiver of any default which may thereafter occur. In case of doubt as to the interpretation of any of the provisions of this Agreement, the English language version of this Agreement shall be controlling. Buyer and Seller agree that this order and the acceptance thereof shall be a contract made in the state or province shown in the Buyer's address on the face of this order, and governed by the laws thereof, and that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to such contract. The courts of such state or province shall have the non-exclusive jurisdiction over any dispute arising out of this order. In the event that it becomes necessary for Buyer to institute litigation for the enforcement of any provision hereof, Seller agrees to pay Buyer's reasonable legal fees and disbursements (including court costs).