

**FRAEN CORPORATION AND FRAEN MACHINING CORPORATION**  
**STANDARD PURCHASE ORDER TERMS AND CONDITIONS**

**1. ACCEPTANCE:** The Purchase Order ("Order" or "this Order") incorporating by reference these terms and conditions shall constitute Fraen Corporation's or Fraen Machining Corporation's ("Buyer's") offer to purchase goods, articles, materials or work ("Goods") or services according to the terms hereof. Seller shall indicate its acceptance of this Order only by: (i) signing and returning the attached acknowledgment to Buyer; or (ii) commencing any work on Goods covered by this Order which are to be specially manufactured to Buyer's specifications; or (iii) shipping any Goods covered by this Order; or (iv) beginning the performance of any service covered by this order. By accepting this Order, Seller agrees to all the terms and conditions hereof, any acceptance of this Order that proposes additional or different terms shall not operate as a rejection of this Order, but shall be deemed a material alteration hereof and this Order shall be deemed accepted by Seller without such additional or different term. No change or modification to this order (including any additional or different terms in Seller's acceptance) shall be binding on Buyer unless agreed in writing and signed by Buyer's representative. By accepting this Order, Seller acknowledges that the Goods and services covered by this order are intended for the timely manufacture or processing of Goods for resale.

**2. QUANTITIES AND PRICE:** The specific quantity ordered in this Order may not be changed without Buyer's permission in writing. Any excess delivered may be returned at Buyer's option and at Seller's risk and expense. Buyer's count shall be accepted as conclusive on all shipments not accompanied by a packing slip. This Order may not be filled at higher prices than appears on the face hereof unless approved by Buyer in writing prior to shipment. Seller warrants and represents that the prices charged for the Goods or services covered by this Order are not in excess of the lowest prices charged to any other customer (other than the U.S. Government) a lower price for the same type of goods or services and in similar quantities during the period of performance of this Order or six (6) months before such period. Should Seller give any other customer (other than the U.S. Government) a lower price for the same type of goods or services and in similar quantities during such time period Buyer shall be entitled to a reduction of this Order's price to such lower price; such reduction shall be effected by either refunding to Buyer in cash, or crediting to Buyer's account with Seller, at Buyer's option, the difference between such handling. Any applicable federal tax, or state or local sales, use or similar tax billed by Seller shall be separately stated and itemized, no such tax may be included in the amount billed.

**3. DELIVERY:** Time is of the essence on this Order and deliveries shall be made both in quantities and at time specified by buyer, failure to do so shall constitute a breach of contract. Buyer's expectation is 100% on time delivery of all quantities ordered. Should Seller fail to meet the delivery requirements set forth in the shipping instructions appearing on the face hereof, including the choice of carrier indicated, or otherwise specified by Buyer, Seller shall be liable for any additional costs occasioned by the use of any transportation methods other than those specified in this Order. Buyer, without limiting its other remedies, may direct expedited routing and Seller shall pay the extra cost of such expedited routing. Seller shall not subcontract or manufacture in advance of reasonable flow time, or deliver any Goods in advance of requested delivery schedule. Buyer reserves the right to reject or return at Seller's risk and expense all articles or materials shipped in advance of the specified date or in excess of quantities specified in this Order and its delivery schedules, or to accept and make payment for advance deliveries as though the material was received on the specified delivery dates. Buyer will not be liable for any material or productions costs of Seller incurred in excess of the amount necessary to meet Buyer's delivery schedules. All Goods covered by this Order shall be shipped by Seller to Buyer or another location designated by Buyer F.O.B. as directed on the face of this Order. Seller shall have title to be responsible for and bear the risk of loss of Goods delivered hereunder until receipt by Buyer at Buyer's plant. At the time such receipt, title and risk of loss or damage, except concealed loss or damage shall pass to Buyer.

**4. PACKING; TRACEABILITY:** All correspondence must include the purchase order number and vendor identification number. Packing slips indicating contents, part number or description, purchase order and vendor number must be enclosed with each shipment. When multiple slips indicating contents, part number or description, purchase order and vendor number must be enclosed with each shipment. When multiple packages comprise a single shipment, the package containing the packing slip must be marked, "Packing Slip Inside". Any transportation charges paid by Seller with respect to which Seller is entitled to reimbursement shall be added to Seller's invoice as a separate item and the receipted freight bill shall be attached thereto. All returnable containers for which Buyer is to be invoice shall be invoiced by Seller and full credit rendered to Buyer upon, at Seller's expense, in good condition and within a reasonable time. If Goods are shipped in returnable containers, Buyer shall take title only to the usable portion of such Goods; Buyer shall have no obligation to clean or otherwise restore returnable containers and Seller shall retain title to any residue remaining in such containers. Seller's system of production and packaging shall be such as will permit traceability of each lot of Goods, and shall include bar coding if so requested by Buyer. Seller

warrants that the packaging of the Goods ordered herein shall be in compliance with all laws relating to packaging of such Goods and shall be adequate for the transit of the Goods undamaged so long as the integrity of the container is maintained.

**5. CHANGES:** Buyer may, at any time, by written change order, make changes in the quantity, specifications, delivery dates (including temporary suspensions of scheduled shipments) and shipping instructions of the Order. In the event of any such change by Buyer, Seller shall proceed immediately to perform this Order as changed. If any such change causes an increase or decrease in the cost of or the time required for the performance of any part of this Order, Buyer and Seller may agree upon an equitable adjustment in the purchase price or delivery schedule or both. Seller shall submit to Buyer any proposed adjustments with (15) calendar days of each change order or Buyer's determination of adjustments, if any, shall be final and binding on Seller.

**6. STOP WORK ORDER:** Buyer may, at any time, by written notice to Seller, require Seller to stop all, or any part of the work called for by this Order. The notice shall be specifically identified as a stop-work order issued under this paragraph. Upon receipt of the notice, Seller shall immediately comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by the notice during the period of work stoppage. Buyer shall make an equitable adjustment in the delivery schedule, Order price, or both, and this Order shall be modified, in writing accordingly, if (i) the stop-work order results in an increase in the cost of or the time required for the performance of any part of this Order, and (ii) Seller asserts a claim for the adjustment with fifteen (15) calendar days after the end of the period of work stoppage; that if Buyer decides that the facts justify the action. Buyer may receive and act upon the claim asserted at any time before final payment under this Order. If a stop-work order is not cancelled and the work covered by the stop-work order is subsequently terminated for the convenience of Buyer. Buyer shall allow reasonable costs resulting from the stop-work order in arriving at an equitable adjustment pursuant to paragraph 14.

**7. WARRANTIES:** Seller expressly warrants to Buyer, its successors, customers and users of its products that any Goods covered by this Order will conform to the specifications, drawings, samples or other description furnished or specified by Buyer, will be of good material and workmanship, and free from defects in material and workmanship, and where design is Seller's responsibility, be free from defects in design and be fit for purpose intended. Seller also warrants that such Goods will be merchantable and fit and sufficient for the purpose intended, and will perform in accordance with Buyer's requirements and in accordance with Seller's representations. Seller further expressly warrants to Buyer, its successors, customers and users of its product that any services covered by this Order will conform to the specifications, drawings or other description furnished or specified by Buyer, will be done in a workmanlike manner and in accordance with industry standards and will be free from defects in workmanship. Seller also warrants that such services will be fit and sufficient for the purpose intended, and will perform in accordance with Buyer's requirements for such performance and in accordance with Seller's representations. Buyers may reject any Goods or services that are not in accordance with these warranties and, at Buyer's option, required correction or replacement without cost to Buyer. Buyer may return to Seller, at Seller's sole risk and expense (including inbound and outbound transportation charges), any Goods or services so rejected. In the event that Buyer does not require Seller to correct or replace the rejected Goods or services, Seller shall promptly credit or pay to Buyer, at Buyer's election, the purchase price of the rejected Goods or services (including any Federal Excise Tax or any other tax Buyer may have paid on such Goods or services). Seller may not correct or replace any rejected Goods or services unless expressly so directed by Buyer in writing, in case of ambiguity or apparent mistake in specifications, drawings or other requirements of this Order, including but not limited to apparent mistake of which Seller is aware due to its superior knowledge. Seller, before proceeding, must consult Buyer, whose written interpretation shall be final. Buyer's approval of Seller's design, material, process, drawing, specifications or the take shall not be construed to relieve Seller of the warranties set forth in this paragraph, nor shall waiver by Buyer of any drawing or specification requirement for one or more articles constitute a waiver of any such requirements for the remaining articles to be delivered hereunder unless so stated by Buyer in writing. The warranties provided for in this paragraph shall be in addition to those implied or available at law and shall exist notwithstanding the acceptance by Buyer of all or a part of the Goods to which such warranties are applicable.

**8. INDEMNIFICATION:** Seller agrees to indemnify Buyer, its agents and employees and anyone selling or using any of Buyer's products, and to hold each of them forever harmless from and against all suits, administrative proceedings, claims, damages, judgments, liabilities, interest, attorney's fees, costs and expenses of any kind or nature whatsoever, whether arising before or after completion of the delivery and installation of the Goods covered by this Order, and in any manner directly or indirectly caused, occasioned or contributed to or claimed to be caused or contributed to by reason of acts, omissions, faults, breach of express or implied warranty, breach of any of the provisions referenced under paragraph 25 and 28 of these Terms and Conditions or negligence, whether active or passive, of Seller, or of anyone acting under its direction or on its behalf in connection with the Goods or services furnished by Seller to Buyer under this Order. No persons employed by Seller, or its

subcontractors and vendors, in connection with the furnishing of the Goods or services ordered hereunder shall be held or construed to be the employees of Buyer under the provisions of any Federal, state or local Worker's Compensation or Unemployment Compensation Act or any other law, regulation, ruling or order; Seller agrees to indemnify and save Buyer harmless from all taxes, contributions, or assessments imposed by any such act, law, regulation, ruling or order upon the "employer" with respect to persons employed by Seller, or its subcontractors and vendors, in the manufacture or furnishing of such Goods or services.

**9. PATENT INDEMNIFICATION:** Excepting only when the Goods conform to specifications provided by Buyer, Seller warrants that the sale and/or use of the Goods ordered herein will not infringe or contribute to the infringement of any United States or foreign patent. Seller agrees to save Buyer, its agents, customers and users of its product harmless from all loss, damage and liability incurred on account of any infringement or alleged infringement of a patent arising out of the manufacture, sale or use of such Goods by Seller, Buyer, Buyer's agents or customers, or users of its product; Seller shall at its own expense defend all claims, suits and actions against Buyer, its agents or customers, or users of its product, in which any such infringement is alleged, provided Seller is duly notified of such claim, suit or action. Buyer shall save Seller harmless from all loss, damage or liability which may be incurred on account of any infringement or alleged infringement of a patent arising out of the manufacture by or for Seller of Goods to details designs developed and furnished by Buyer. Buyer and each of the parties sued shall have the right to employ counsel of their choice on their own behalf, who shall have the right to participate in the defense of such suit and whose fee shall be paid by Seller.

**10. QUALITY ASSURANCE:** Seller shall provide and maintain a Quality Assurance System acceptable to Buyer for the Goods covered by this Order. Seller agrees to permit Buyer to review Seller's procedures, practices, processes and related documents to determine such acceptability. This requirement is in addition to any special quality assurance provisions which may be incorporated elsewhere in this Order. Records of all inspections work by Seller shall be kept complete and available to Buyer during the performance of this Order and for such longer period and in such manner as may be specified by Buyer.

**11. INSPECTION.** All Goods shall be received subject to Buyer's rights of inspection and rejection. If rejected, Goods will be held for disposition at the expense and risk of Seller. No Goods returned as defective are to be replaced without a formal replace order. Notwithstanding the foregoing, if Goods received are defective and supply or timing does not permit return or replacement, Buyer shall have the option, following notification to Seller, to rework such Goods at Seller's expense. Payment for Goods covered by this Order prior to inspection shall not constitute acceptance thereof and without prejudice to any inspection or count by Buyer and all claims that Buyer may have against Seller. Acceptance of Goods by Buyer after inspection shall not release or discharge Seller's liability for damages or other legal remedy for breach of promise or warranty, expressed or implied, with respect to such Goods. All items (including but not limited to raw material, components, intermediate assemblies, and end product) or services (including but not limited to engineering and design or development work) shall comply with all applicable specifications and shall be subject to inspection and test by Buyer, the Buyer's customer or the customer's representative, to the extent predicable, at all times and places including the time and place of manufacture. If any inspection or test is made on the premises of Seller or its supplier, Seller, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspection and acceptance by Buyer at the destination, notwithstanding any payment or prior inspection at the source. Final inspection and acceptance of Goods shall be made by Buyer after delivery, expiration of consignment period, or as otherwise indicated in this Order and shall be conclusive except with respect to latent defects, fraud, such gross mistakes as amount to fraud, and Seller's warranty obligations as defined herein above. Buyer shall notify Seller if any Goods delivered hereunder are rejected, and such Goods shall be held by Buyer or returned to Seller at Seller's risk and expense. In case of rejection, neither Buyer nor its customer shall be liable for any reduction in value of samples used in connection with such inspection or test. Seller shall have effective program investigation, corrective action, and follow-up for rejections initiated by Seller or Buyer. When Buyer discovers discrepancies for which Seller is responsible, Buyer may forward a request for corrective action to Seller for action and response. Seller's response shall be returned to Buyer within ten (10) days, and shall include the causes of the discrepancy(s), the action(s) taken to prevent recurrence, and the effective point of the action by unit serial number or date.

**12. RESPONSE TO EXCESSIVE DEFECTS:** If Buyer determines that a defect exists in Goods delivered under this Order, and if Buyer determines that the same defect has occurred in Goods delivered up to the date of determination of such defect, in more than the percentage allowed as set forth in Buyer's Quality Assurance Manual then in effect, Seller shall, at its sole expense, inspect, remedy, and/or replace all Goods, shall cause to be inspected, remedied, and/or replaced all Goods, in which said defect has occurred or might occur. Seller shall reimburse Buyer for all expenses incurred or sustained by buyer, both direct and indirect, attendant to a recall or retrofit of Buyer's product, which incorporate Seller's Goods when such a recall or retrofit is

caused by Seller's Goods, including in addition to all other damages recoverable under the Uniform Commercial Code, all losses of profits or damage to good will or reputation.

**13. WORK ON BUYER'S PROPERTY:** In addition to other terms contained herein, if this Order requires Seller to perform any services upon property (real or personal) owned or controlled by Buyer, Seller agrees: (i) to furnish to Buyer, as a condition precedent to final payment, a complete release of all liens, together with a certificate by Seller that the release contains the signatures of all those who performed services or furnished materials under this Order, (ii) to indemnify and hold Buyer harmless against all liability, claims, damage and expense on account of personal injury (including death) or damage to property arising out of or in any way connected with the performance of services pursuant to this Order, whether or not the negligence of Buyer was a contributing cause of such personal injury or damage; (iii) to provide Worker's Compensation and Employer's Liability insurance protection for all of the employees of Seller or Seller's subcontractors engaged in the performance of services pursuant to Order, such insurance to be at the sole expense of Seller or Seller's subcontractor, as the case may be; and (iv) to procure and maintain in force at all times during the performance of services pursuant to this Order; (a) bodily injury, property damage, contractual bodily injury and contractor's property damage insurance coverage, each having a combined single limit of \$1,000,000 for each occurrence; and (b) automobile liability insurance coverage having minimum amounts of \$1,000,000, \$2,000,000 per accident for bodily injury and \$1,000,000 per accident for property damage, unless higher amounts are specified by Buyer. Certificates evidencing such insurance coverages shall be submitted to Buyer prior to the commencement of services hereunder.

**14. TERMINATION AT BUYERS OPTION:** Buyer may terminate this Order, in whole or in part, without cause, by delivering to Seller a written notice (which may be facsimile) specifying the Goods or services terminated and the effective date thereof. In such event, Buyer and Seller shall agree upon an equitable adjustment of the Order price, provided that (i) such adjustment shall not exceed the total Order price less the sum of (a) amounts previously paid hereunder, and (b) the contract price of work not terminated; (ii) no amount will be allowed for anticipated profit for performance not rendered; (iii) Seller's written intent to file a claim for adjustment is received with ten (10) working days from the effective date or termination; and (iv) Seller's claim for adjustment is received with thirty (30) calendar days from the effective date of termination. After receipt of a notice of termination and except as otherwise directed by Buyer, Seller shall (i) stop work under this Order on the date and to the extent specified in the notice of termination; (ii) place no further order for materials, services or facilities except as may be necessary for completion of such portions of work under this Order as may not be terminated; (iii) terminate all orders to the extent that they relate to the performance of any such work terminated by notice of termination; (iv) assign to Buyer, in the manner and to the extent directed by Buyer, all of the right, title and interest of Seller under any order(s) so terminated; (v) settle all outstanding liabilities and all claims arising out of such termination of orders, subject to the approval or ratification of Buyer to the extent Buyer may require, which approval or ratification shall be final for all the purposes of this provision; (vi) transfer title to and deliver in the manner, to the extent and at the times directed by Buyer, the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced as a part of, or acquired in connection with the performance of, the work terminated by the notice of termination, and the completed or partially completed plans, drawings, information, and other property which, if this Order had been completed, would be required to be furnished to Buyer, (vii) use Seller's best efforts to sell in the manner, in the extent, and at the time, and at the price or prices directed or authorized by Buyer, any property of the types referred to in (vi) above, provided that the proceeds of any such sale shall be applied in reduction of any payments to be made by Buyer to Seller under this Order or shall otherwise be credited to the price or cost of the work covered by this Order or paid in such other manner as Buyer may direct (iii) complete performance of such part of the work as shall not have been terminated by the notice of termination; and (ix) take such action as may be necessary of as Buyer may direct for protection and preservation of the property related to this Order which is in the possession of Seller and in which Buyer has or may acquire an interest. In no event shall Buyer be liable for anticipated profits, engineering costs, facilities and equipment rearrangement costs or rentals, or for incidental or consequential damages, or for damages due to negligence. Notwithstanding the issuance by Buyer of a notice of termination hereunder, any rights of Buyer based on prior breach of performance by Seller shall survive, Buyer's right of termination pursuant to this paragraph 14 is in addition to and not in derogation of Buyer's rights under paragraph 15 hereof.

**15. CANCELLATION FOR DEFAULT:** If Seller fails (i) to deliver Goods or to perform services at the time specified herein or any extension thereof authorized by Buyer in writing, (ii) to make progress, so as to endanger performance of this Order, or (iii) to comply with any other provision of this Order, and does not cure such failure within a period of ten (10) days (or such shorter period as is commercially reasonable under the circumstances, or such longer period as Buyer may authorize in writing) after receipt of notice from Buyer, specifying such failure, Buyer may by written notice of default to Seller cancel the whole or any part of the Goods and services ordered without liability except for completed services and accepted Goods. Buyer may purchase goods and services in substitution for those so canceled and Seller shall pay Buyer any increase in cost incurred by

Buyer above the Order price. If this Order is terminated for default, Buyer may require Seller to transfer the title to and deliver to Buyer, as directed by Buyer, and (i) completed supplies, and (ii) partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as "manufacturing materials" in this paragraph) that Seller has specifically produced or acquired for the terminated portion of this Order. Upon the direction of Buyer, Seller shall also protect and preserve property in its possession in which Buyer has an interest, Buyer shall pay the Order price for completed Goods delivered and accepted, Seller and Buyer shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of such property. Failure to agree will be a deemed dispute and settled in accordance with paragraph 24, DISPUTES. Buyer may withhold from these amounts any sum Buyer determines to be necessary to protect buyer against loss because of outstanding liens or claims of former lien holders and Buyer's estimate of excess procurement cost due Buyer, if after notice of default under this paragraph, it is determined that Seller was not in default, work affected by the cancellation shall be deemed terminated pursuant to paragraph 14 above and the rights and obligations of the parties shall be governed by such paragraph.

**16. ASSIGNMENT; SUBCONTRACTING:** Neither this Order nor any interest herein nor any claim hereunder shall be assigned nor any work hereunder subcontracted by Seller, either voluntarily or by operation of law, without the prior written consent of Buyer. No such consent shall be deemed to relieve seller of its obligations to comply fully with the requirements of this Order. In the event Seller enters into proceedings relating to insolvency, makes assignments for the benefit of creditors, is placed in receivership by a state court, or files or institutes voluntary bankruptcy proceedings, or Seller's creditors institutes and involuntary bankruptcy, or Seller is adjudicated bankrupt under the Bankruptcy Laws of the United States, Seller will advise Buyer by Certified Mail and identify the time of filing, the location of the court, and the case number. Buyer will then have the right to terminate this Order for default at no cost to Buyer. The rights and remedies of Buyer in this paragraph are in addition to any other rights and remedies provided by law or under this Order.

**17. BUYER'S PROPERTY; SCRAP:** Unless otherwise agreed in writing, all supplies, materials, samples, prototypes, tooling, dies and other equipment of every description furnished or paid for by Buyer or Buyer's customer ("Buyer's Property") shall become and remain the property of Buyer or Buyer's customer, as the case may be; unless Buyer instructs otherwise, such property shall be deemed to be the property of Buyer. Buyer's Property may only be used for the purposes specified in this Order and under no circumstances shall Buyer's property or any scrap generated during the course of performance of this Order be used, diverted or sold to third parties or used to produce or manufacture articles other than those required hereunder without prior written authorization from Buyer, Seller shall not sell or disposed of a scrap or otherwise any completed or partially completed or defective goods without defacing or rendering such goods unsuitable for further use other than recycling. Buyer does not guarantee the accuracy of any tooling or dies or the availability or suitability of any supplies or material furnished by it. Seller agrees carefully to check and approve all Buyer's Property supplied under this Order prior to using it. Seller shall assume all risk of death or injury to persons or damage to property arising from Buyer's Property. Buyer's Property shall be deemed to be personal and shall at all times be properly stored and maintained by Seller on its premises, separate and apart from Seller's property or the property of any third party; Buyer's Property shall be marked by Seller in the manner directed on the face of this Order, including attachment of Buyer's asset tag if so directed. Seller agrees to execute UCC financing statements or such other documents as Buyer may reasonably require with respect to such property. Seller hereby authorizes Buyer to execute any such statements or documents on Seller's behalf. Seller shall bear the risk of loss or damage of any kind, with loss payable to Buyer. Immediately, upon Buyer's request, such property shall be properly prepared for shipment as specified by Buyer, and delivered in good condition, except for normal wear and tear, F.O.B. Seller's plant, to Buyer. Seller acknowledges that Buyer's Property is unique and proprietary and that monetary damages will be inadequate to compensate Buyer for Seller's breach of this paragraph. The parties agree that, in addition to any other remedies available to Buyer under this Order, or at law in equity, buyer will be entitled to injunctive relief to enforce the terms of this paragraph.

**18. CONFIDENTIAL INFORMATION:** Seller shall protect as proprietary and keep confidential all information, including but not limited to designs, processes, drawings, specifications, reports, data, and other technical or business information, whether contained in tangible or electronic media, and the features of all parts, equipment, tools, gauges, patterns, and other items furnished or disclosed to Seller by Buyer ('Information'). Unless otherwise provided or authorized by Buyer in writing, Seller shall use Information and the features thereof only in the performance of this Order. Seller shall disclose Information only to its own employees to the extent necessary for the production of Goods described in this Order. Upon completion or termination of this Order, Seller shall, at Seller's expense, make such disposition of all Information as is required herein or as may subsequently be directed by Buyer. Buyer shall have the right to audit all pertinent books and records of Seller in order to verify compliance with this paragraph. In all subcontracts for performance of work related to this Order, Seller shall include provisions which provide Buyer the same rights and protections as provided hereunder. Unless Seller has written authorization from Buyer, Seller agrees not to disclose information by furnishing it in any way to any other person, firm, or corporation for any

purpose, including without limitation the design or manufacture of goods, and further agrees that Seller shall not itself use information for the design or manufacture of goods for any third party. Nothing in this Order shall be construed as granting Seller any license for any purpose under and patent or industrial property right of Buyer or any other rights except those required to effectuate the purposes of this Order. Seller acknowledges that Buyer's Information is unique and proprietary and that monetary damages will be inadequate to compensate Buyer for Seller's breach of this provision. The parties agree that, in addition to any other remedies available to Buyer under this Order or at law or in equity, Buyer will be entitled to injunctive relief to enforce the terms of this paragraph.

**19. RIGHTS TO INVENTIONS:** Seller agrees that all designs, inventions and innovations made in the course of filing this Order shall be disclosed to and become the sole property of Buyer. Seller shall execute or obtain the execution of all such papers, including patent applications and assignments, and shall perform all necessary acts, to perfect ownership of such designs, inventions, and innovations in Buyer, at no cost or expense to Seller. Seller waives all claims against Buyer and its customers for any liability with respect to rights, patent or otherwise, Seller may have or obtain, by reason of any use which may be made of the designs, inventions or innovations developed hereunder.

**20. INSURANCE:** At Buyer's request, Seller agrees to furnish certificates, in a form satisfactory to Buyer, evidencing adequate coverage for the benefit of both Seller and Buyer as to workman's compensation, occupational disease, unemployment compensation, fire and extended coverage, and public liability, including contractual liability on both owned and non-owned vehicles. Such certificates shall provide for thirty (30) days' notice to Buyer in the event of or cancellation of any policy. Seller agrees that its workers or vehicles will not enter property of Buyer and work or services will not be started in performance of this Order until Seller obtains the required insurance described above.

**21. SETOFF AND WITHHOLDING:** Buyer may set off any amount due from Seller, or not under this Order, against any amount due Seller hereunder. Buyer may withhold from payment to Seller an amount sufficient to reimburse Buyer for any loss, damage, expense, cost or liability relating to Seller's alleged or actual failure to comply with any requirements of this Order.

**22. DELAY:** Time is of the essence in performing this Order. Should Seller experience or anticipate any delay in performing this Order, Seller shall immediately notify Buyer of such delay, its expected duration and the reasons therefor. Neither such notification nor an acknowledgement by Buyer shall constitute a waiver of this Order's delivery schedule. The Delivery schedule shall not be modified unless the parties do so in writing. If any delay caused by Seller results in the need for premium transportation as determined by Buyer, Seller shall ship via premium transportation and the additional costs for the premium transportation shall be the sole responsibility of Seller. Seller shall also be liable for any direct or consequential damages resulting from any delay caused by it.

**23. REMEDIES TIME FOR CLAIMS:** The individual remedies reserved in this Order shall be cumulative and additional to any other or further remedies provided in law or equity or in this Order. No waiver of any breach of any provision of this Order shall constitute a waiver of any other breach, or of such provision. Any claim by Seller under this Order that is not asserted within six (6) months from the date the same accrues shall be forever barred.

**24. DISPUTES:** In the event of any dispute over the terms of this Order or any issue arising under this Order, Buyer and Seller will make an effort to resolve the matter by individuals who have been designated by the parties for such purpose, without commencing legal proceedings. As a prerequisite to the institution of legal proceedings (except where a party must seek injunctive relief in order to avoid irreparable harm), any dispute which cannot be settled promptly by the individuals so designated shall be referred for resolution by senior representatives of each of the parties, each of whom shall have the authority to settle the matter in controversy. If such representatives are unable to resolve such dispute within thirty (30) days of reference of the dispute to them, or such longer period of time as they may agree, the dispute may be resolved by resort to such legal proceedings as may be available to the parties. The parties agree, however, to consider the use of alternative forms of dispute resolution. Pending resolution of any disputes, Seller shall proceed diligently with the performance of this Order as directed by Buyer. If the dispute arises out of a difference in interpretation between the parties as to the performance requirements of this Order, then Seller shall continue performance in accordance with the interpretation of performance as determined by Buyer.

**25. COMPLIANCE WITH LAWS:** Seller represents that the Goods covered by this Order, together with their containers and other packaging, have been manufactured in accordance with the requirements of all applicable Federal, State and local laws and safety constraints on restricted, toxic and hazardous materials, as well as environmental, electrical, and electromagnetic considerations applicable to the country of manufacture and sale. Such legal compliance includes but is not limited to the requirement that all purchases must conform to REACH, ROHS and PROP65 requirements as well as adhere to the CONFLICT

MINERALS rule stated in the 2010 DODD-FRANK legislation. Seller further agrees to furnish Buyer, upon request, a certificate attesting to such compliance in such form as Buyer may require. Seller shall indemnify and hold Buyer harmless to the full extent of any loss, damage or expense, including lost profit, attorneys' fees and court costs, for any failure or alleged failure of Seller to comply with the requirements of this paragraph. Seller certifies it is in compliance with the provisions of the Occupational Safety and Health Act of 1970. If the Goods purchased hereunder are considered toxic or hazardous as defined in Section 1910, 1000 of General Industrial Standards (OSHA), Seller shall provide Buyer with two copies of the material safety data sheet with Seller's acknowledgment of this Order or otherwise prior to shipment of the Goods, if the Goods require material safety data sheets different from those previously supplied to Buyer, and in any event with the copy of the invoice or other documentation accompanying the shipment. Neither Seller nor any agent or representative of Seller shall offer or provide gratuities to any employee of Buyer. Failure of Seller to honor this commitment may, at Buyer's option, result in termination of this Order in accordance with paragraph 15. TERMINATION FOR DEFAULT.

**26. NAFTA; CERTIFICATION OF ORIGIN; DUTY DRAWBACK:** With respect to all Goods delivered from any point within the NAFTA territory (Canada, Mexico and the United States of America), Seller shall provide, with its invoice, a North American Free Trade Agreement Certificate of Origin on U.S. Customs Form 434 or the corresponding Canadian or Mexican form. Seller agrees to transfer to Buyer all customs duty and import drawback rights, if any (including rights developed by substitution and rights which may be acquired from Seller's suppliers), related to the Goods and which Seller can transfer to Buyer. Seller agrees to inform Buyer promptly of any such rights and to supply all documents which Buyer may request or which may be required to enable Buyer to obtain such customs duty and import drawback rights.

**27. ADVERTISING:** Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has furnished or contracted to furnish to Buyer the Goods herein mentioned or use any trademarks or trade names of Buyers in Seller's advertising or promotional materials.

**28. EQUAL OPPORTUNITY:** This Order shall be deemed to include, to the extent applicable hereto: (a) the Equal Employment Opportunity Clause referred to in Executive Order 11246, as amended, (b) all provisions of 41 CFR 60-250, as amended, pertaining to Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era where the value of Goods or services furnished hereunder exceeds \$10,000, (c) all provisions of 41 CFR-60-741, as amended, pertaining to Affirmative Action for Handicapped Workers where the value of the Goods and services furnished hereunder exceeds \$2,500, and (d) similar applicable requirements of any state or local law.

**29. APPLICABLE LAW AND VENUE:** All questions concerning the validity, interpretation or performance of this Order or any terms or provisions hereof or of any rights or obligations of the parties hereunder shall be resolved in accordance with the laws of the state in which is located the facility of Buyer to which the goods or services covered by this Order are to be delivered or provided and without regard to the conflict of laws/rules of any jurisdiction. Both Buyer and Seller hereby submit themselves in any lawsuit involving this Order to the sole and exclusive jurisdiction and venue of either (i) the courts of general jurisdiction of the state and county in which such facility is located, or (ii) the United States District Court for the district in which such facility is located.

**30. ORDER OF PRECEDENCE:** Insofar as is possible, the various documents constituting this Order will be interpreted so as to be consistent with one another. In the event of any inconsistency among the provisions of this Order, such inconsistency shall be resolved by giving precedence in the following order, (i) Provisions typed or referred to on the face of this Order, (ii) these Terms and Conditions; (iii) the Statement of Work; and (iv) the Specifications. The performance requirements of the specification of this Order take precedence over any configuration/design or component requirements as identified in the specifications. The headings herein are included for convenience of reference only and shall not be employed in the interpretation hereof.

**31. NOTICES:** All notices, consents, requests, instructions, approvals, and other communications provided for herein shall be validly given, made, or served, if in writing and delivered personally, by facsimile transmission, refaxed, or mailed by express carrier or regular U.S. Mail, addressed (i) if to Buyer, to buyer at address shown on the face of this Order, or (ii) if to Seller, to the address shown on the face of this Order, or such other address and to the attention of such other person as either party may from time to time designate to other by notice.

**32. COMPLETE AGREEMENT; AMENDMENTS:** This Order, when accepted, shall supersede all prior understandings, transactions and communications, whether oral or written pertaining to the subject matter hereof. The terms and conditions appearing on both sides of this Order, together with any written instructions issued hereunder, constitute the complete and final agreement between Buyer and Seller and no agreement, or other understanding in anyway purporting to modify the terms and conditions

hereof shall be binding upon Buyer unless made in writing, date subsequently and signed by Buyer's authorized representative. Each shipment received by Buyer from Seller or service performed by Seller shall be deemed to be only upon the Terms and Conditions contained in this Order, notwithstanding any terms and conditions that may be contained in any acknowledgment, invoice or other form of Seller and notwithstanding Buyer's act of accepting or paying for any Goods or services, or any similar act of Buyer or any course of prior dealing or usage trade not specifically incorporated herein.