PARKER FASTENERS
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PARKER FASTENER LLC'S TERMS AND CONDITIONS OF SALE

1. **General Application, Formation, Choice of Law and Jurisdiction.** These General Terms and Conditions of Sale ("General Terms") apply to all proposals and quotations submitted by Parker Fastener LLC or its affiliates or subsidiaries ("Seller"), to all purchase orders received by Seller, and to all sales of goods and services sold by Seller, except as otherwise specifically agreed to by an employee of Seller with a title of Vice President or higher. Any services to be provided by Seller, whether or not they are otherwise ancillary to and part of a sale of goods (as separate units or included as part of an installation), will be considered ancillary to a sale of goods and the UCC will apply to all goods and services to be provided by Seller ("Goods"). A written quotation issued by Seller is an offer to sell. Buyer will be deemed to have accepted the provisions of these General Terms and an agreement will be formed by any of the following: (a) signing and returning to Seller a copy of any quotation; (b) sending to Seller a written acknowledgment of the quotation; (c) placing a purchase order or giving instructions to Seller respecting manufacture, assortment or delivery of the Goods (including instructions to bill and hold) following receipt of any quotation; (d) failing to cancel a pending purchase order within 10 days after receiving, or being put on notice of, these General Terms; (e) accepting delivery of all or any part of the Goods; (f) paying for all or any part of the Goods; or (g) indicating in some other manner Buyer's acceptance of these General Terms. All sales by Seller consist only of these General Terms and those in other documents which are referred to herein or are attached hereto, such as a Schedule, Exhibit or in a document provided, signed or issued by Seller and referencing the transaction (all of which constitute the "Agreement"). Seller objects to and rejects all terms proposed by Buyer. Seller must approve any variance from these General Terms in writing. The Agreement will be governed by and construed in accordance with the laws of the State of Arizona. Any action hereunder brought by Seller or Buyer will be subject to the exclusive jurisdiction of the state courts of Arizona or the U.S. District Court for the District of Arizona, as applicable. If Buyer does not maintain a registered office or agent in the United States, Buyer irrevocably appoints the Arizona Secretary of State and/or CT Corporation as Buyer's agent to receive process in any proceeding arising under or related to this Agreement. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, and any conflict-of-laws provisions that would require application of another choice of law, are excluded. Any declaration of unenforceability of a provision will be as narrow as possible and will not affect the enforceability of the other provisions. A tribunal with jurisdiction will reform a provision of the Agreement, at the request of Seller, to the extent minimally required for enforcement.

2. Integration and Modification.

A. Formation and Revocation. The Agreement supersedes all previous quotations and agreements pertaining to the Goods.

B. Complete Integration. The Agreement is a final, complete, and exclusive statement of the Agreement of the parties. An order or an amendment submitted by Buyer orally or in a purchase order or other writing (whether or not it contains terms or conditions modifying, adding to, repugnant to or inconsistent with these General Terms), may be filled by Seller, but any resulting contract and the liabilities or obligations of Seller will be determined solely by the Agreement, and (unless Seller otherwise advises Buyer in writing) notice is given that Seller objects to any such terms or conditions in Buyer's purchase order or other document or communication. Seller will not be deemed to have in any way enlarged or modified its liabilities or obligations under the Agreement by filling such order or by failing to further object to Buyer's terms or conditions.

C. Modification. Seller is willing to negotiate changes to the Goods, but Seller reserves the right to make an adjustment in the price of the Goods to cover Seller's estimated cost of such changes. No modifications, limitations, waivers or discharge of the Agreement or any of its terms will bind Seller unless in a writing signed by Seller's authorized employee. Notwithstanding anything to the contrary in this Agreement, no modifications, limitation, waiver or discharge of any provision of the Agreement will affect Buyer's liabilities to Seller accrued prior thereto. A course of performance, course of dealing, or custom in the trade will not modify or waive any right of Seller.

D. Parties. The Agreement is only for the benefit of the parties, except all disclaimers and limitations applicable to Seller will be also for the benefit of Seller's affiliates, agents, employees, contractors and suppliers. If any other provisions of the Agreement are determined to apply to third parties, all other provisions including limitations, waivers, and disclaimers will also apply.

E. Acknowledgments. Buyer and Seller acknowledge that: (i) they are merchants in respect to the Goods produced by Seller; (ii) they have had an opportunity to review the Agreement; and (iii) the provisions of the Agreement are reasonable when considered as a whole.

F. Directed Source Supplies. Buyer may direct Seller to obtain components or services from third parties ("Directed Source Supplies") for use in the provision of the Goods. Seller will not be responsible to Buyer for any defect or non-conformity or warranty or other claims arising from Directed Source Supplies or from the failure of the third party to timely provide Directed Source Supplies.

3. **Authority of Seller's Agents**. No agent, employee or representative of Seller has authority to bind Seller to any affirmation, waiver, representation or warranty concerning the Goods, not contained in the Agreement. An affirmation, waiver, representation or warranty will not be deemed to be part of the basis of the Agreement and will not be enforceable, unless it is expressly included within the Agreement.

4. Prices, Payment and Risk of Loss.

A. Prices. Prices contained in individual written quotations or proposals are firm only for a period stated therein and otherwise for 15 days from the date of the quotation. After the firm price period, the prices are subject to change, and Buyer should inquire of Seller as to their validity and request a written confirmation or revision. Prices do not include taxes and Buyer will pay all applicable sales or other taxes levied with respect to Goods (and replacements) and the Agreement, unless exempt from such taxes. All prices are in United States dollars and must be paid in U.S. dollars at the location specified in Seller's invoice. Buyer will pay all government fees levied on the installation and inspection of the Goods. Buyer will pay upon receipt of all invoices rendered by Seller for any such items Seller may pay.

B. Risk of Loss and Title. Buyer bears the cost of shipping. The Agreement is for a shipment contract and the Goods will be delivered F.O.B. Seller's dock. Whether or not Seller prepays shipping charges, risk of loss passes to Buyer upon tender of the Goods to a carrier. Seller's breach of the Agreement will not affect the passing of the risk of loss to Buyer notwithstanding any provision of law to the contrary. Notwithstanding the transfer of the risk of loss, title to the Goods will remain with Seller until Buyer pays for the Goods in full.

C. Price Adjustments. If any delay in delivery beyond the date of delivery scheduled at the time of entry of the order is requested or otherwise caused by Buyer, Seller will adjust the price under the provisions of this subsection. Seller may unilaterally adjust the price to cover Seller's increased cost of performance due to a delay in delivery schedule, increases in the costs of labor, materials, production or transportation, change in the law or other conditions beyond Seller's reasonable control after the date of any quotation. Seller and Buyer will equally share, 50%/50%, all value-added or value-engineering or other savings that are the result of joint engineering efforts aimed at cost reduction whether these changes occur before or after the start of production.

D. Changes at Buyer's Request. Seller may unilaterally increase prices to cover increased costs (plus reasonable overhead and profit) to implement any changes requested by Buyer to the design, materials, packaging, manufacturing, treating, coating, plating, material or process capability data, logistics requests and other performance by Seller, required by changes requested by Buyer to the Goods, schedule or any other performance by Seller after the date of any quotation. Seller is not obligated to perform any such changes, but will be compensated for them if Seller complies with such requested changes.

E. Shipping and Packaging. Except as otherwise provided in the Agreement, Seller will not be responsible for any freight, transportation, insurance, shipping, storage, handling, demurrage or similar charges arising out of the performance of the Agreement. If such charges are specifically included in the price, any increase in rates for such services becoming effective after the date the price is quoted to Buyer will be added to the price. All Goods will be packed for shipment by Seller in accordance with its standard practices. It is Buyer's responsibility whether or not Seller arranges shipping to determine whether additional packaging procedures and materials are appropriate for the shipment of Goods. Buyer will pay Seller for the additional procedures and materials. Buyer will pay Seller for additional handling charges for

small, expedited or other shipments outside Seller's normal and ordinary course of business. Should Seller honor a request to ship to a Buyer located outside of the United States of America, Buyer will assume all risk that the product and its labeling comply with the laws of the jurisdiction where the products are shipped and Buyer will indemnify and hold Seller harmless from, and defend it against, any liability which may arise from the noncompliance of the product with the laws of such jurisdiction, including costs (including expert witness fees) and attorney's fees.

F. Payment Terms. All purchase orders to Seller must be received with a cash or check payment. For approved Buyers with established credit acceptable to Seller, the terms of purchase are Net 30 days from the date of shipment in accordance with Section 4(B) above. Seller makes no assurance that credit will be extended or that, once extended, will be maintained at any specified amount. Should Seller determine, in the exercise of its sole discretion, that Buyer is no longer credit worthy, it may suspend deliveries of product, require prepayment in immediately available funds prior to shipment, or require some form of performance assurance from Buyer. Any credit applied to Buyer's account must be used within one (1) year from the date of the credit and any credits remaining after one year will be cancelled.

G. Payment Demand and Acceleration. If, at any time, reasonable grounds for insecurity arise with respect to Buyer's performance of its payment or other obligations hereunder, Seller may demand immediate payment in full or a documentary letter of credit approved by a U.S. bank acceptable to Seller or other financial security for such payment or other obligations. In addition, all amounts owed by Buyer to Seller will be accelerated and payable immediately if Buyer fails to make any payment on time and as otherwise required or if Buyer sells or transfers the line of business for which the Goods are purchased or is a participant in a merger or other reorganization. Seller reserves the right to defer any further shipments or other orders, or cancel any portion of an unshipped order if Buyer fails to make full payment. Any sums not paid as agreed will bear interest at the rate of 18% per annum (1.5% monthly) or at the highest rate available under applicable law

H. Export/Import Fees. All export and import permits and licenses and the payment of all export and import duties and customs fees will be the responsibility of Seller, if Seller is obligated by the Agreement to deliver the Goods within the United States. All export and import duties, fees, permits, licenses etc. for Goods to be delivered outside of the United States will be the responsibility of Buyer.

I. Right of Offset. Seller may offset or recoup any amounts owed by Seller or an affiliate of Seller to Buyer or an affiliate of Buyer against any amounts owed by Buyer or an affiliate of Buyer to Seller or an affiliate of Seller. Buyer waives any right of offset or recoupment and will pay all amounts owed to Seller when due regardless of any claim of Buyer regarding warranties or other issues arising under contract, tort, statute or otherwise. Payment of such amounts under written protest will not constitute a waiver by Buyer of its claims.

J. Exchange Rate. Pricing for Goods ordered under the Agreement which are procured, or contain components or material that are procured, by Seller from sources outside the United States are predicated on the rate of exchange in force at the time of the quotation (or Order if there is no quotation). If the rate of exchange between the United States dollar and the currency of the country from which such Goods,

components and/or material are procured by Seller varies between the date of the quotation (or Order if there is no quotation) and delivery of the Goods, the price of the Goods will be increased or decreased accordingly to compensate Seller for such variation in the rate of exchange.

K. Samples. Samples of Goods and sample test reports will be provided by Seller only upon Seller's consent and at prices established by Seller or written agreement with Buyer.

5. Delivery / Volume.

A. Shipping Dates. Shipping dates are estimates based on Seller's present engineering and manufacturing capacity and scheduling and may be revised by Seller upon receipt or scheduling of Buyer's order. All shipping dates are approximate and will be computed from the date of entry of the order on Seller's books.

B. Method and Cost of Shipment. Seller will deliver the Goods by tendering the Goods on its dock for placement in the possession of Buyer's designated carrier. Seller will generally follow Buyer's shipping instructions but may make reasonable changes thereto without liability and at Buyer's cost. On Buyer's request, Seller will obtain and send to Buyer documents necessary to enable Buyer to obtain insurance. Seller is not responsible to prepay transportation or insurance costs. Buyer will pay all transportation costs and handling and other charges incidental to transportation. Buyer will pay all expedite fees unless delay was exclusively due to the fault of Seller. Buyer is responsible for making any claim against the carrier and other handlers of the Goods after delivery to Buyer as provided above.

C. Volume. Except as stated below, neither Buyer nor Seller is making any volume commitments, or commitments to each other for any particular duration and Seller is not agreeing to supply Buyer with its "requirements" of any Goods. However, under all circumstances, Buyer is obligated to purchase from Seller all 1) finished goods ordered by Buyer and manufactured by Seller and 2) all raw materials and work in process Seller has procured or manufactured to fill an order or forecast submitted by Buyer.

6. Delay of Shipment or Performance Excused for Various Reasons.

A. Delayed Shipment. If shipment of any Goods or other performance by Seller is delayed at the request of or due to the fault of Buyer, Seller may at its option hold the Goods at the place of manufacture or elsewhere at the risk and expense of Buyer from the time it is ready for shipment. In the event of any such delay in shipment, full and final payment for Goods will be due and payable 30 days after Buyer is notified that the Goods are ready for shipment. If Seller is unwilling to accommodate Buyer by holding such Goods, Buyer will accept shipment immediately.

B. Delayed or Failed Delivery. All inspection, delivery and other dates for Seller's performance are estimates only. In addition, Seller will not be in default because of its delay or failure to deliver or perform under the Agreement resulting, in whole or in part, from: (i) any foreign or domestic embargoes, seizures, pandemics, acts of God, insurrections, war, or the adoption or enactment of any law, ordinance, regulation, ruling or order; (ii) shortages of raw materials or labor; (iii) the lack of usual means of transportation, fires, floods, explosions, strikes or other work actions, or any

other accidents, contingencies, or events, at Seller's or its supplier's plant or elsewhere (whether or not beyond Seller's control) which directly or indirectly interfere with, or render substantially more burdensome, Seller's production, delivery, or performance; (iv) delays by Buyer in inspecting and acceptance, in furnishing requested specifications, materials, tooling or information, in making payments, or otherwise; (v) failure of Seller's suppliers to perform. If one or more deliveries hereunder is delayed by reason of any one or more of such occurrences for a period of 30 days, Buyer may, at its option, terminate the Agreement as to the undelivered goods or waive such delay and establish a new delivery schedule.

C. Supply Allocation. Whenever Seller's supply of the Goods, materials or means of production is insufficient to meet the estimated delivery schedule or in the event of any occurrence mentioned above in Subsections A and B, Seller, in its sole discretion, may allocate its supply to its own use or other customers.

D. Effect. This Section will be effective even as to events described in Subsections A, B and C which exist on the date of a quotation or of contract formation.

E. Storage. If Buyer requests storage of Goods prior to final delivery, Seller will attempt to provide or arrange such storage, but a reasonable charge for storage as computed by Seller plus all expenditures incurred for space, insurance, and handling will be charged to Buyer. Invoices for Products stored at Buyer's request will be provided at the beginning of the storage period and periodically thereafter, and payment will be due net 30 days from the date of invoice.

7. Inspection, Testing and Rejection.

A. Testing. If the Agreement expressly provides for Buyer's inspection and/or acceptance of the Goods, Seller's standard test procedures conducted by Seller's representative will be the criteria for inspection and/or acceptance, unless other specific procedures have been specified in the Agreement. On request, Seller will quote to Buyer additional charges required to conduct any additional procedures requested by Buyer which may be acceptable to Seller.

B. Rejection. All manuals, drawings, specifications, technical documentation, samples, prototypes and Goods provided by Seller will be deemed approved and/or accepted by Buyer if Buyer does not provide a written objection and/or rejection within seven days of receipt or other reasonable time established by Seller. Buyer will have seven days after receipt of the item to inspect and either accept or provide notice of objection and/or rejection. Failure to so act will constitute an irrevocable acceptance by Buyer of the item. Any objection and/or rejection by Buyer must be in writing and state with specificity all defects and non-conformities upon which Buyer will rely to support its rejection. ALL DEFECTS AND NON-CONFORMITIES WHICH ARE NOT SO SPECIFIED ARE WAIVED. Buyer may reject the Goods only for material non-conformities and all non-material non-conformities will be resolved under the express warranty. If Buyer rejects any tender of the Goods and if requested by Seller, Buyer will return them to Seller, express, collect, within three days after such request. A failure to so return will constitute an irrevocable acceptance. No attempted revocation of acceptance will be effective, and Buyer will be limited to any available remedies specifically provided in the Agreement. There will be no limitation on the

period of time in which Seller may cure any non-conformity or breach, provided it continues to make reasonable efforts to cure.

C. Inspectors. If the Agreement requires, or Seller requests in writing, inspection or testing prior to shipment, and upon notification by Seller that the Goods are ready for inspection or testing, Buyer will provide at the place of manufacture, at its own expense, one or more qualified and authorized employees to inspect and/or test the Goods, check the Goods for general compliance with the Agreement, and authorize shipment. If Buyer fails to do so within seven days after receiving notice from Seller, then Seller may, in its own discretion, determine that Buyer has waived the right of inspection, testing and/or acceptance prior to shipment and ship the Goods. Correction of defects or non-conformities, which would likely have been discovered by Buyer's inspection and/or testing and are otherwise covered by Seller's warranty, will be at Buyer's expense.

D. Testing Facilities. Buyer will provide, at its cost and risk of loss, all materials, fixtures, tooling and other items necessary for any inspection and/or testing required by the Agreement or requested by Seller. If Buyer fails to supply such items within the time required, Seller may supply them at Buyer's expense or test by such means as available at the place of manufacturer. Equipment, parts and materials furnished by Buyer for testing and/or inspection will be returned to Buyer at Buyer's cost, unless Buyer authorizes their disposal. If the Goods include the necessary fixtures and tooling, the inspection and/or testing at the place of manufacture may be performed on production or other equipment similar to, but other than, that identified to the Agreement.

E. Delivery Shortages. Any claim by Buyer for shortages in any delivery must be in writing with satisfactory written evidence delivered to Seller within seven days of receipt.

F. Expenses. Any expense incurred by Buyer in the inspection or testing of the Goods will be paid by Buyer, whether or not the Goods have been rejected as defective or non-conforming or the Goods have been accepted and a warranty claim has been made for correction of a defect or non-conformity.

8. Installation.

A. General. All Goods will be assembled and installed by and at the expense of Buyer.

B. Assumption of Risk. Buyer assumes all risks of using the Goods alone and in connection with other equipment and goods. Seller has no responsibility to determine the adequacy of the foundation, utilities, skills of Buyer's staff, or any other matter.

C. Risks. Buyer assumes all risk of using the Goods in its location and in connection with other equipment or improvements.

9. General Express Warranties.

A. General. Seller warrants to Buyer only, subject to the disclaimers and limitations of the Agreement, that Goods will conform to Buyer's written specifications. Goods that fail to meet this warranty are referred to in this Agreement as defective or nonconforming. Seller, at its option, will repair or replace Goods that fail to

meet this express warranty which Buyer discovers and reports to Seller within the period of twelve months from the delivery date to Buyer. Under no circumstances will the warranty period extend beyond twelve months from the date of delivery of the alleged non-conforming or defective Goods to Buyer. Seller will not be responsible for the design and fitting of Goods, and/or the function of Goods. This is not a warranty of performance, but a limited warranty as to the condition of the Goods at delivery. Because the Goods may be subject to a wide variety of use, installation, maintenance and cleaning, the warranty is only against such defects and not against any other failures such as, but not limited to, those due to normal wear and tear, normal maintenance and unknown causes. Perishable items are excluded from this warranty against defects. Buyer will immediately notify Seller in writing of any alleged nonconforming Goods and failure to so notify Seller will constitute a waiver of any alleged nonconformities.

Warranty Requirements. Seller's warranties will apply only if the Goods: (i) have been installed, maintained and used in conformity with the highest industry practices; (ii) have been subjected to normal use for the purpose for which the Goods were designed; (iii) have not been subjected to misuse, negligence or accident; (iv) have not been altered or repaired by persons other than Seller in any respect which, in the judgment of Seller, adversely affects the condition or operation of the Goods; (v) deviate from Buyer's specifications by at least 15%; (vi) such deviation adversely affects the functionality of the Goods; and (vii) have been fully paid for.

Records. Buyer will create, maintain and make available to Seller, permanent records of the installation, maintenance, use and disposition of the Goods.

10. Patent Warranties. Seller disclaims any implied warranty of non-infringement. Buyer will defend at Buyer's expense, and indemnify Seller from any third-party claim against Seller, its affiliates and subsidiaries or any of Seller's directors, officers or employees which asserts that the Goods or their sale or inherent methods of operation, infringe any of such third party's intellectual property rights including, but not limited to, copyright, trademark, trade secret, United States or foreign letters patent or other proprietary rights of any third party on account of the use or sale of any such Good alone or in combination with other Goods or materials. Seller will notify Buyer promptly of any known assertions of patent infringement and provide Buyer with assistance and information requested by Buyer for Buyer's defense of Seller. Buyer expressly waives any claim against Seller that such infringement arose out of compliance with Buyer's or its Buyers' specifications and Buyer further agrees to pay and discharge any and all judgment or decrees which may be rendered in any such suit, action or proceeding against any indemnified party.

11. Disclaimer and Limitation of Express Warranties. There are no express warranties other than those contained in the Agreement and they are not assignable. Any representations as to performance and other matters, except as contained in the Agreement, were for illustrative purposes only and do not constitute a warranty. Whether or not the Goods are to be used exclusively by Buyer, there will be no third-party beneficiaries to the express warranties contained herein. Seller does not warrant any portion of the Goods not conceived, designed, developed or manufactured by Seller (whether or not specified by Buyer), but Seller will assign to Buyer upon request all

assignable warranties of Seller's suppliers related to such Goods. Seller does not warrant that it or the Goods are in compliance with any entity, organization or industry standards, guidelines or procedures unless specifically contained in the Agreement. Buyer acknowledges that unless agreed to otherwise by Seller, Seller is a build-to-print Supplier and is not responsible for the design or for any defects in the design.

12. Remedies and Limitation of Seller's Liability.

A. General. Defective or non-conforming Goods or parts thereof discovered during the express warranty period will be repaired, or replaced by Seller without any additional charge and shipped to Buyer, FOB Seller's plant, for reinstallation by Buyer at its cost, subject to the terms hereof. The warranty obligation of Seller is limited to the repair or replacement at Seller's plant of any part of the Goods which Buyer will, within the warranty period, return to Seller, with transportation charges prepaid by Buyer, and which Seller will determine upon examination to be defective or not in conformity with the express warranties contained herein. Seller will also reimburse Buyer for any direct costs incurred in the repair or replacement of defective Goods which had been installed during production in an amount not to exceed the price paid by Buyer for the Goods that fail due to a defect covered by Seller's express warranty. Goods cannot be deemed defective or non-conforming if Seller cannot duplicate the alleged failure. If the alleged failure can be duplicated by Seller, Seller will discuss the potential causes with Buyer, and then determine whether the failure is due to a non-conformity or defect attributable to Seller. In lieu of repair or replacement, if Seller elects, Seller may, upon return of such Goods and making a determination of nonconformity or defect, keep the Goods and refund the purchase price. Seller may provide such repairs itself or through its third party contractors. Buyer's remedies will be limited (even in the event of Seller's default of its warranty obligations) exclusively to those provided in this Section. UNDER NO CIRCUMSTANCES WILL SELLER BE LIABLE FOR EXEMPLARY, PUNITIVE, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING BUT NOT LIMITED TO: LOSS PROFITS OR REVENUES (WHETHER LOSS PROFITS OR REVENUES ARE CONSTRUED AS A CONSEQUENTIAL DAMAGE OR OTHERWISE); INCREASED COSTS; DAMAGE TO EQUIPMENT, TOOLING, PREMISES, OR WORK-IN-PROCESS; COST OF CAPITAL; COST OF PURCHASED POWER; SUBSTITUTE OR ADDITIONAL EQUIPMENT, FACILITIES OR SERVICES, PRODUCTION INTERRUPTION OR START-UP; OR THE CLAIMS OF THIRD PARTIES FOR SUCH DAMAGES. Buyer waives any causes of action or theories of liability including, but not limited to, those arising under contract, tort, strict liability, product liability statutes, or otherwise, except as specifically provided by the UCC as modified and limited herein. The replacement or repair of Goods by Seller does not give rise to any new warranty, and the warranty period provided for herein will not be extended by the length of any period from the date the defective or non-conforming Goods are received by Seller until the date the repaired or replacement Goods are delivered to Buyer.

B. Buyer's Obligations. Buyer must contact Seller to request warranty coverage, a return authorization number, and other instructions relating to the return of Goods. If requested by Seller, Buyer will issue a new purchase order or amendment to Seller for replacement parts, subject to Seller issuing a credit memo if

Buyer's claim for warranty coverage is approved. Buyer must comply with Seller's return instructions (including return of the defective or non-conforming Goods) within 30 days or the claim will be deemed conclusively to have been abandoned. Buyer is responsible for properly tagging, identifying, and packing such returned Goods. Goods returned without compliance with the above procedures will be returned to the sender at sender's cost.

C. Recalls / Field Service Campaigns. If, as a result of field experience, test results, or claims made by third parties, Buyer or Seller becomes aware of a problem which may constitute a safety related defect contained in the Good or which may lead to non-safety functional failures as described below, Buyer or Seller, as applicable, will inform the other immediately of this fact. Seller and Buyer will then promptly perform an investigation in order to analyze the cause of the concern and assess the impact on the safety of the final user, and to consult with one another on any necessary notification of the non-conformity/defect to customers or to any unit or agency of government having jurisdiction over the Goods. Once Seller and Buyer have consulted, either will be free to give such notice as it deems necessary or appropriate without the need of the other's concurrence and to conduct a recall or field service campaign as it deems necessary in the circumstances. Subject to the limitation stated below, Seller will reimburse Buyer for all direct costs reasonably incurred by Buyer in conducting a recall or a field service campaign necessitated by a defect or non-conformity in the Good. However, Seller's obligations in respect to recalls or other field service actions will be limited to defects or non-conformities occurring in the Good for which it is responsible, and which defects and / or non-conformities are either: (1) safety related; or (2) are chronic and non-safety related, but are found to exist contrary to the specific terms contained in Seller's warranty and result in a failure or malfunctioning of the Goods which materially impairs their durability or otherwise have a material, adverse effect on the primary (not merely aesthetic) function of the Buyer's application into which the Product are installed. Further, Seller's maximum obligation in any such recall or field service campaign (including the provision of replacement Goods and all other costs) will not exceed 2% of Seller's average annual sales to Buyer of the specific Good involved.

The term "direct costs" means and includes only the direct costs of labor and material, return freight, and any other costs reasonably incurred solely as a result of the recall or field service campaign. Buyer acknowledges the importance and the need for maintaining the traceability of the Good to limit the cost of any recall or field service campaign, and agrees that it will fully cooperate with Seller in maintaining the traceability of the Good in terms of any necessary recording and record keeping with respect to Seller's batch or production number to indicate the correspondence of these to Buyer's production of its products and their incorporation into specific applications.

D. Scope of Liability. Buyer waives any right of subrogation. Buyer waives any right of indemnity or subrogation as to third party claims, in excess of any applicable insurance carried by Seller.

13. **Disclaimer of Implied Warranties**. SELLER DISCLAIMS ALL IMPLIED WARRANTIES AND SIMILAR OBLIGATIONS (OTHER THAN GOOD TITLE) INCLUDING BUT NOT LIMITED TO THOSE OF FITNESS FOR A

PARTICULAR PURPOSE, AND MERCHANTABILITY, WHETHER OTHERWISE ARISING BY LAW, CUSTOM, USAGE, TRADE PRACTICE, COURSE OF DEALING, OR COURSE OF PERFORMANCE. There are no warranties which extend beyond those express warranties contained in the Agreement. Buyer affirms that it has not relied upon Seller's skill nor judgment to select or furnish the Goods for any particular purpose beyond the specific express warranties in the Agreement. Seller may rely entirely on information provided by Buyer and is under no obligation to verify such information or take any action to obtain explanatory or supplemental information from Buyer or third parties. Buyer's approval of drawings and/or prototypes constitutes Buyer's acceptance and waiver of any claim against Seller alleging a failure by Seller to consider information provided by Buyer. Any modifications of drawings, prototypes, and other work of Seller after approval by Buyer will be at Buyer's expense at Seller's normal rates for services and materials. Seller does not warrant the Goods will comply with the requirements of any safety or environmental code or regulation of any federal, state, municipality or other jurisdiction beyond the specific express warranties in the Agreement.

14. **Responsibility for Safety.**

A. Buyer's Obligations. Goods designed and manufactured by Seller are capable of being used in a safe manner, but Seller cannot guarantee their safety under all circumstances. Buyer must install and use the Goods in a safe and lawful manner in compliance with applicable health, safety, and environmental regulations and laws and general industry standards of reasonable care. It is Buyer's or other user's responsibility to provide all proper dies, devices, tools, training and means that may be necessary to effectively protect all personnel from serious bodily injury which otherwise may result from the method of particular installation, use, operation, setup or service of the Goods. Buyer should comply with ANSI Safety Standards, OSHA and similar state regulations, and other sources to insure the safe use of the Goods.

B. OSHA Compliance. Seller believes that the Goods will be in substantial compliance with the general requirements of federal OSHA regulations directly associated with operator safety and noise level control. The technical detail of the complete OSHA regulations and the existence of many other safety, environmental, and similar standards render it impracticable to provide any other compliance unless Buyer requests compliance with specific sections or paragraphs of OSHA or other standards and such standards are included in Seller's quotation. Because of changes which occur in OSHA, state codes, local codes and user safety and other programs, Seller must be advised by Buyer in writing if it desires specific modifications in the Goods required for compliance. A quotation will be submitted for such requested modifications.

15. **Indemnification.**

A. Third Parties. Buyer will indemnify Seller from any and all third party claims, damages and expenses (including reasonable attorney fees) under theories of tort, product liability, infringement, negligence (ordinary or gross), warranty, contract, statute or otherwise arising out of the use, storage, sale, processing or other disposition of the Goods, supplies or materials used in connection with the Goods, or parts manufactured with the Goods, if the action or inaction of Buyer or its employees,

customers or agents, or Buyer's design specifications, were a material or proximate cause of injuries or damages giving rise to claims against Seller.

B. Buyer's Indemnity for Unsafe Use. If Buyer fails to comply with the obligations set forth in this subsection, Buyer will indemnify and save Seller from any liability or obligation incurred by Seller to persons injured directly or indirectly in connection with the operation of the Goods and all warranties of Seller will become automatically void. Buyer will notify Seller promptly, and in any event within 30 days, of any accident or malfunction involving Goods which results in personal injury or damage to property and will cooperate fully with Seller in investigating to determine the cause of such accident or malfunction, including allowing Seller access to the Goods and Buyer's reports regarding the Goods for Seller's inspection. If Buyer fails to provide such notice and cooperation to Seller, Buyer will indemnify Seller from any claims arising from such accident or malfunction whether or not the Goods are non-conforming or defective.

16. **Security Interest**. In addition to any security interest granted by the UCC or other law, Buyer grants a security interest to Seller in all Goods and Buyer's Property, and documents related thereto, and proceeds and products from Buyer's Property, to secure all obligations of Buyer to Seller, whether or not arising under the Agreement. Seller may file a financing statement and at Seller's request, Buyer will sign financing statements and other documents, evidencing and confirming the security interest. Buyer grants Seller an irrevocable power of attorney to sign Buyer's name to a financing statement if necessary or convenient to perfect Seller's security interest. Buyer will provide a lien waiver from all third parties to whom the Goods may be delivered. Buyer will provide a landlord's waiver of any lien rights at the premises to which the Goods are to be installed. In case of a default by Buyer, Seller may peaceably enter the premises of Buyer and others and take other actions to repossess or render inoperable all Goods in which it has a security interest. In case of a default by Buyer, Buyer irrevocably appoints Seller as its agent to obtain possession of the Goods and documents related thereto. Seller may install and activate procedures or devices to make the Goods or Software non-operative upon Buyer's default. The Goods will be and remain strictly personal property and retain their character as such, no matter whether on permanent foundation or in whatever manner affixed or attached to building or structure, or for what purpose the Goods may be used. Buyer will maintain the Goods in a segregated area and not co-mingle any Goods which are not fully paid. Buyer will not sell, exchange, transfer, convey, mortgage, pledge, hypothecate or grant a security interest in any Goods which are subject to the Agreement if payment therefor has not been made in full to Seller. Buyer will immediately advise Seller in writing of any damage to, change in location of, or seizure of, any of the Goods the price of which has not been paid to Seller.

17. **Proprietary Information.**

A. Buyer's Rights to Confidentiality. Buyer acknowledges that any information disclosed to Seller has not and will not be considered by Buyer or Seller to be confidential or a trade secret unless clearly and conspicuously noted on the disclosure, or in some other writing delivered to Seller at or prior to the time of the disclosure.

B. Seller's Rights to Confidentiality. All proposals, plans and other information (collectively referred to as "Seller's Proprietary Property" as defined below) furnished by Seller in bidding, negotiating and performing the Agreement (including but not limited to pricing and piece price breakdowns) are confidential and the property of Seller, whether or not marked "Confidential", and will not be shown or disclosed to any other bidder, and will not be shown or disclosed to any other third party or used by Buyer except as may be necessary for the selection or use of the Goods.

A. Patentable Features. Any design, invention or other information developed by Seller in the performance of the Agreement will remain the property of Seller, whether or not Seller charges for design, research, development, testing or similar services. Any patentable features developed by Seller will be the property of Seller and Seller will be under no obligation to refrain from using in its business any information, manufacturing processes or unpatented disclosures which may pass to it from Buyer in the performance of the Agreement, except as provided in Subsection A.

B. Drawings and Calculations. Seller is not obligated to furnish detailed or shop working drawings, engineering calculations, computer programs, or other information for any Goods or part thereof.

C. Buyer's Obligations to Seller's Proprietary Property. Buyer will treat as confidential Seller's Proprietary Property which includes, but is not limited to, all proposals, plans, specifications, blueprints, technical documents, instructions, molds, models, casts, formulas, sketches, drawings, manufacturing processes, know-how, software and software protocols, electronic commerce system information, inventory management system information and other business information supplied by Seller to Buyer under this Agreement will be proprietary and confidential to Seller and will not be shown or disclosed to any other bidder or third-party. Seller's Proprietary Property will remain the sole property of Seller, including exclusive designs developed by Seller prior to the placement of an Order. Buyer will not disclose, or authorize or instruct Seller to disclose, any confidential or proprietary information of Seller to any third party that is not bound by contract to at least the same duty of confidentiality to Seller as is Buyer. In addition, only those employees and contractors of Buyer having a need-to-know and bound by contract by the same confidentiality provisions as Buyer may be given access to such technology. Buyer will maintain, for Seller's inspection, written records which will include the names and address of such employees and contractors granted such access. Buyer will indemnify Seller from all expenses and damages related to the improper use or disclosure of Seller's Proprietary Property by Buyer or its employees and contractors. Business proposals and technology of Seller may be protected by patent, copyright, trademark and other law. No license or other right to business proposals or technology is granted to Buyer. Upon Seller's demand or the termination (for any reason) or expiration of the Agreement, whichever happens first, Buyer will return all of Seller's confidential information (and all copies of the same) to Seller.

18. **Intellectual Property**. Any Intellectual Property owned or licensed by Seller and used by Seller in connection with the performance of its obligations hereunder will remain the exclusive property of Seller and its licensors, as the case may be. Nothing in this Agreement will be deemed to grant Buyer any license or any other rights in such Intellectual Property. The term "Intellectual Property" will include without limitation all

of the following: (i) inventions, discoveries, patents, patent applications and all related continuations, divisional, reissue, utility model, design and process patents, applications and registrations thereof, certificates of invention; (ii) works, copyrights, registrations and application for registration thereof; (iii) computer software programs, data and documentation; (iv) trade secrets, confidential information, know-how, techniques, process information, designs, prototypes, enhancements, improvements, work-in progress, research and development information; and (v) all other proprietary rights relating to the foregoing.

19. **Buyer's Property**. Buyer will insure all materials, fixtures, tooling and other property owned by Buyer and delivered to Seller against all risks and waives subrogation in the event of loss of or damage to such property or personal injury arising from the use or storage of such property.

20. **Seller's Property**. No tooling or other tangible manufacturing assets of Seller will be subject to purchase by Buyer or to any right to use the same unless and to the extent any such item is quoted and offered in writing by Seller for purchase or lease by Buyer, and then being strictly limited to the terms and conditions stated in Seller's quotation for such tooling or for other tangible manufacturing asset.

21. **United States Government Regulations**. Buyer will not engage in any transaction with respect to the Goods, by way of resale, lease, shipment or otherwise, which violates any statute or regulation of the United States of America.

22. **Breach and Cancellation.**

A. Default. If Buyer defaults in the performance of its obligations, if Buyer advises Seller that it will default in the performance of its obligations, or if any action is started by or against Buyer seeking the appointment of a trustee or receiver or the entry of an order for debtor's relief for Buyer, Seller may cease performance of its obligations, recover the Goods in transit or delivered, disable delivered Goods, and otherwise enforce its remedies for Buyer's default.

B. Compensation. Seller will be awarded interest, consequential and incidental damages and costs (such as interest and reasonable attorney fees) in any proceeding to enforce its remedies in which it obtains relief or damages or in which it prevails in the defense of any action by Buyer.

C. Cumulative Rights and Limitations. All rights granted to Seller and all limitations in favor of Seller in the Agreement and by law are cumulative, provided Seller will be entitled to only a single full recovery.

D. Good Faith. Seller will not be liable for any action taken pursuant to a good faith exercise of any of its rights under the Agreement or law.

E. Waiver. Seller's failure or delay in enforcement of any provision will not constitute a waiver of a breach or of the provision itself.

F. Cancellation - Termination. Upon cancellation or termination by Buyer, Buyer must purchase all finished goods at the then-prevailing purchase price. Buyer may cancel or terminate its order for any remaining Goods prior to their completion, by immediate payment to Seller of Seller's cost of manufacture (including

labor, engineering, materials, unamortized development cost, equipment time and overhead). Cost of manufacture will include all materials or services which Seller has ordered and which cannot be canceled and all costs incurred in canceling material and service orders which can be canceled. Seller may retain without cost all materials and partially completed Goods on canceled orders.

23. **Consequential, Incidental, and Other Damages**. UNDER NO CIRCUMSTANCES AND REGARDLESS OF THE NATURE OF THE CLAIM ASSERTED (INCLUDING INDEMNITY) WILL SELLER BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, RELIANCE, PUNITIVE, EXEMPLARY OR INCIDENTAL DAMAGES, AS DEFINED IN THE UCC OR OTHERWISE AND BUYER IS NOT ENTITLED TO SUCH DAMAGES FROM SELLER. This limitation will be enforced regardless of whether Seller has defaulted in its warranty or other obligations or the limited warranty is held to fail of its essential purpose. Any legal inability to limit or restrict the right of Buyer or a third party to such damages will not affect the right of Seller to indemnification hereunder. UNDER NO CIRCUMSTANCES WILL SELLER'S LIABILITY FOR CLAIMS FOR NON-DELIVERY OR OTHER NON-PERFORMANCE, DEFECTIVE PERFORMANCE, NON-CONFORMING GOODS, DEFECTIVE GOODS OR OTHERWISE EXCEED THE PRICE PAID BY BUYER FOR THE GOODS GIVING RISE TO THE CLAIM.

24. **Claims**. Communications concerning disputed debts or other claims, including an instrument tendered as full satisfaction of a debt must be delivered to an employee of seller with the title of vice president or higher.

25. **Force Majeure**. Seller will not be responsible for any delay or failure in any performance due, without limitation, to acts of God, war, warlike conditions, blockade, embargoes, riots, governmental restriction, labor disturbances, unavailability of anticipated usual means of supplies, transportation or loading facilities, wrecks, epidemics, quarantine, fire, flood, earthquake, explosion, any unforeseen change in circumstances, or any other causes beyond the reasonable control of the Seller.

26. **Survival / Limitations of Actions**. Rights and obligations under this Agreement that by their nature should survive, will remain in effect after termination or expiration hereof. The termination or expiration of the Agreement will not affect in any manner the rights and obligations of the parties accruing prior to or on the date of such termination or expiration nor any rights or remedies existing at law or in equity by reason of any breach of any term of the Agreement which occurred prior to such termination or expiration. A proceeding by Buyer for breach of the Agreement or any other right against Seller arising from or in connection with the Agreement cannot be filed nor maintained by Buyer unless: (i) it is commenced within one year after the cause of action has accrued; (ii) Buyer has given timely written notice to Seller of the details of its claim; and (iii) Buyer pays all amounts due to Seller or deposits the unpaid portion of the purchase price with the tribunal pending final adjudication. An action for breach of warranty or any other provision of the Agreement will accrue no later than shipment of the Goods to

Buyer whether or not installation or other post shipment services are required by the Agreement.

27. **Severability**. Any provision found to be unenforceable by a final unappealed order entered by the court or tribunal will be severed from this Agreement. Such severance will be as narrow as possible and will not affect the remainder of this Agreement in such action and other actions, unless the court or tribunal also finds, on the request of Seller that without such provision as originally written, the Agreement is not likely to meet the reasonably commercial expectations of the parties and in such case, the court or tribunal will enter an equitable judgment of rescission, termination or reformation of this Agreement as necessary to reach an equitable result.

28. **Assignment**. No right or interest in the Agreement may be assigned by Buyer without the prior written consent of the Seller. Any assignment attempted by Buyer will be void and ineffective for all purposes unless made in conformity with this section.

29. **Collection Actions.** Buyer will pay, to the extent permitted under law, all reasonable costs and expenses, including attorney's fees and costs, incurred by Seller in connection with any collection action necessitated to collect payment of amounts due.