

STANDARD TERMS & CONDITIONS
AUTOMATION & MODULAR COMPONENTS, INC. STANDARD TERMS AND CONDITIONS
PURCHASE ORDERS

1. Definitions. The word "Buyer" whenever used herein shall mean *AUTOMATION & MODULAR COMPONENTS, INC. (AMC)*. The party with which this order is placed is referred to herein as "Seller." The products, machinery, equipment, supplies and/or labor or services covered by this Purchase Order are referred to herein as "Goods." The terms "Purchase Order," herein and "hereto" refer to and include the face of this document, these Standard Terms and Conditions and any other documents specifically made a part of this Purchase Order.

2. Acceptance: Entire Agreement. Buyer shall not be bound by this Purchase Order until Seller executes and returns to Buyer the acceptance copy of this order. No terms and conditions at variance with, or additional to, those contained herein shall be applicable hereto or to this Purchase Order unless specifically agreed to in writing by an authorized representative of Buyer. Any agreements, negotiations or understandings of the parties prior to the date of this Purchase Order, whether written or oral, are merged herein and superseded hereby. No modification of the provisions hereof shall result from Buyer's acceptance of the Goods or receipt from Seller or an invoice or acceptance or other form containing terms and conditions in addition to, or inconsistent with, the provisions hereof.

3. Changes to Order and Coverage. Buyer shall have the right to make changes in this Purchase Order. Such changes shall include, but not be limited to, changes in any drawings and specifications upon which this Purchase Order is based. Should any change affect any prices (or delivery terms) contained in this Purchase Order, Seller shall, before proceeding, notify Buyer of any price changes (or changes in delivery terms) and receive Buyer's written agreement thereto. No modification alteration amendment of this Purchase Order shall be effective unless in a written change order signed by Buyer and acknowledged by Seller. No charges for any changes not so authorized will be paid. Any over shipments shall be at Seller's risk, and Buyer may delay payment therefor without loss of discount. All costs in returning over shipped items, if so desired by the Buyer, will be at Seller's expense.

4. Assignment. Seller shall not assign its rights or delegate or subcontract its performance under this Purchase Order in whole or in part without the prior written consent of Buyer. Any attempted assignment, delegation or subletting without Buyer's prior written consent shall be void and shall constitute a material breach of this Purchase Order by Seller. The organization (AMC) shall communicate to external providers (supplier/vendor) its requirements for...verification or validation activities that the organization, or its customer (AMC's customers), intends to perform at the external providers' premises.

5. Nonconforming Goods. All Goods furnished under this Purchase Order are subject to final inspection and approval at destination by Buyer. Any Goods not in compliance with any specifications or other requirements of this Purchase Order are subject to rejection by Buyer, and any or all of such Goods may be returned by Buyer at Seller's expense. No goods returned as non-confirming shall be replaced unless authorized by Buyer. Any payments for Goods made prior to inspection shall not constitute an acceptance of said Goods or impair the remedies of Buyer hereunder and as provided by law.

6. Delivery and Default. Buyer may, at its election, by delivery to Seller of written notice of termination, cancel this Purchase Order or any part hereof (a) if Seller fails to deliver the Goods in accordance with any delivery or performance dates specified herein, or (b) if Seller fails to comply with any other provision of this Purchase Order and does not cure such failure within a period of ten (10) days or such longer period as Buyer may authorize in writing, or (c) upon the occurrence of any of the following: the voluntary or involuntary liquidation or dissolution of Seller, the sale or other disposition of all or substantially all of the assets of Seller, or the marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of Seller, or other similar proceeding affecting Seller or any of its assets, or any action taken by any trustee or receiver or by any court in any such proceeding, or the disaffirmance, rejection or postponement in any such proceeding of any of the Seller's obligations pursuant to this order. In the event of any cancellation for the reasons described in (a) or (b) or (c) above. Buyer may purchase similar Goods and Seller shall be liable to Buyer for all loss or damage suffered or incurred by Buyer arising or resulting from such cancellation including without limitation, any additional cost or expense incurred in purchasing the Goods elsewhere. However, Seller shall not be so liable for failure to deliver the Goods in accordance with delivery or performance dates when such failure is due to causes beyond the control and without the fault or negligence of Seller, and Seller has notified Buyer within forty-eight (48) hours of the commencement of the occurrence that caused such failure. Time is of the essence of this Purchase Order.

7. Title and Risk of Loss. All Goods shall be shipped F.O.B. Buyer's plant, Davisburg, Michigan (or such other destination as Buyer has expressly stated herein) unless specified to the contrary in the Purchase Order, and title and risk of loss to and with respect to the Goods shall remain with the Seller until the Goods are delivered to Buyer at Buyer's plant, Davisburg, Michigan (or such other destination). All goods must be suitably packaged, marked and shipped in accordance with the requirements of applicable common carriers in a manner to secure the lowest transportation cost. No charge shall be made by Seller for packing, boxing, drayage or storage unless otherwise stated herein.

8. Payment. Unless otherwise expressly stated herein, invoices dated prior to delivery of Goods will not be accepted. Buyer may withhold any payment due hereunder to such extent as may be necessary to protect Buyer from loss because of a reasonable doubt (a) that the Goods will meet the requirements of this Purchase Order, or (b) that the Goods will be delivered on the date or dates specified in this Purchase Order. Upon the submission of proper invoices, Buyer shall be paid the prices stipulated herein for Goods delivered and accepted, or services rendered and accepted, less deductions, if any. Unless otherwise specified, payments will be made on partial deliveries accepted by Buyer if Buyer, in its sole discretion, determines that the amount due is sufficient to warrant such partial payments, in connection with any discount offered, time will be computed from date of delivery at destination or from the date a correct invoice is received, if the latter date is later than the date of delivery.

9. Warranty. In addition to any other warranties, Seller warrants that the Goods shall be new unless otherwise specified, will conform to any specifications, drawings, samples or other descriptions furnished or specified by Buyer, will be merchantable and will be free from any defects in design, workmanship and materials for a period of one year from date of initial use. Any replacement or repair of materials or correction to workmanship shall be additionally warranted for a period of one year from the date the defect is remedied. Any replacement parts or other materials provided pursuant to this warranty shall be shipped F.O.B. Buyer's plant, Davisburg, Michigan (or other destination specified by Buyer). Seller acknowledges that, notwithstanding any drawings, specifications or other descriptions of the Goods set forth or referred to in this Purchase Order, Buyer is relying on Seller's skill and judgment to furnish suitable Goods for the purposes described herein, and Seller warrants that the Goods will be fit and suitable for such purposes. Seller also expressly warrants title to all of the Goods is free and clear of any and all encumbrances of whatsoever nature and kind. All warranties shall survive any inspection, delivery, acceptance or payment.

10. Compliance with Laws:

- (A) By accepting this Purchase Order, Seller acknowledges and warrants that all Goods furnished hereunder shall comply with all laws and regulations applicable in the of State of Michigan and the United States of America. Seller acknowledges and warrants that their company, subcontractors, representatives, designees, et al. are in compliance with all U.S. Department of Labor applicable laws and regulations.
- (B) Seller acknowledges that all or some portion of the Goods may constitute "chemical substances" or "mixtures," "hazardous substances" and/or "hazardous wastes" under the U.S. Toxic Substances Control Act (TSCA)," the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Resource Conservation & Recovery Act ("RCRA"), the Hazardous Materials Transportation Act ("HMTA"), the Michigan Public Act 641: The Solid Waste Management Act of 1979, or other similar federal, state, or local laws and regulations. By accepting this order Seller agrees and warrants that all goods including services furnished hereunder do and will comply with all applicable laws and regulations including, without limitation, TSCA, CERCLA, RCRA, HMTA and their implementing regulations.
- (C) Seller shall indemnify buyer and hold buyer harmless from and against all fines, response and remedial costs, and other damages or injuries assessed against or costs incurred by Buyer resulting from noncompliance by Seller with applicable laws and regulations.

11. Cancellation by Buyer:

- (A) Cancellation due to causes beyond Buyer's control. Buyer may cancel this order in whole or in part or defer acceptance of any Goods purchased hereunder in the event of a shutdown of its plant or a substantial reduction in the operation of said plant due to strikes, floods, riots, accidents, acts or failures to act of any governmental entity or of Seller, major equipment breakdowns, or any other causes whatsoever, whether similar or dissimilar to those set forth above, provided that any such cause was beyond the reasonable control of Buyer. In the event of such a cancellation or deferral, Buyer shall pay to Seller, as Seller's sole and exclusive remedy, a reasonable cancellation or deferral charge, which charge shall in no event exceed the actual damages incurred by Seller as a direct result of the cancellation or deferral.
- (B) Cancellation for convenience of Buyer. Buyer also reserves the right to cancel this order in whole or in part at any time, for its convenience, by written notice to Seller, immediately upon receipt of notice of such cancellation. Seller shall stop all performance hereunder except as otherwise directed by Buyer. If Seller is not in default of any of its obligations hereunder at the time of such termination, Buyer shall pay to Seller as its sole and exclusive remedy, an amount equal to those reasonable and documented costs incurred by Seller prior to termination. Provided, however, that the above amount plus any prior payments shall in no event exceed the purchase price of the Goods. All Goods completed or partially completed prior to termination shall become the property of Buyer, or at Buyer's option, the salvage value of the Goods may be deducted from the amount due Seller by reason of the termination.

12. Patent Infringement. Seller hereby agrees to indemnify and hold harmless Buyer and its successors, assigns and customers and the users of its products against all costs whatsoever involved in any and all claims and suits for infringement or patent and patent rights arising from the purchase or use of the Goods. Buyer shall give Seller reasonable notice of any such claim or suit, and Seller agrees to undertake at its own expense the defense of any and all such claims or suits. In addition, upon notification by Buyer of an infringement claim, Seller shall do one of the following: (a) procure for Buyer the right to continue using the Goods on a permanent basis, without cost to Buyer and without any restrictions on the right of Buyer to use the Goods for the purpose for which they are intended, or (b) replace the same with non-infringing Goods satisfactory to Buyer, or (c) modify the goods in a manner satisfactory to Buyer so that they become noninfringing.

13. Non-waiver of Remedies. The remedies of Buyer provided for herein shall be cumulative and shall be in addition to any other or further remedies provided in law or equity. No delay in the exercise of, or failure to exercise any right, remedy or power of Buyer shall be construed to be a waiver thereof, and such right, remedy or power may be exercised from time to time as often as may be deemed expedient by Buyer.

14. Indemnity. Seller shall indemnify and hold harmless Buyer and its agents, officers, directors, employees and assigns from and against any and all liabilities, claims, losses, damages, penalties, costs or expenses, (including, but not limited to court costs and reasonable attorneys' fees) for damage to property of Buyer or others of whatsoever kind or nature or injury to persons (including, without limitation, death) arising from the delivery, use or operation of the Goods and due to the negligent or willful and wanton acts or omissions of Seller, its agents, independent contractors, subcontractors, officers or employees and whether or not caused or contributed to, in whole or in part, by the negligent acts or omissions of Buyer or any of its agents, officers, directors, employees and assigns or any other person or entity.

15. Inspection and Acceptance. If this Purchase Order involves manufacture of the Goods, Seller shall provide all shop inspection required and corresponding quality inspection reports to insure compliance with this order, and Buyer shall have the right at all reasonable times to inspect and test all work in process. Neither the presence nor the absence of an inspector or other personnel of Buyer in Seller's facility shall relieve Seller of any requirements of this Purchase Order. Seller may request from Buyer, at the Seller's discretion, to submit weekly (or more frequently if delivery requirements make it necessary) status reports and engineering production status reports if Buyer so specifies herein. Notwithstanding any prior inspection, the passage of title or any payments hereunder, all Goods furnished hereunder are subject to final inspection and acceptance by Buyer upon delivery.

16. Controlling Law and Severability. The terms and conditions of this Purchase Order shall be construed and interpreted under, and all respect rights and duties of the parties shall be governed by, the laws of the State of Michigan and United States of America Federal law to the extent the same may apply. If any provision or requirement of this Purchase Order is declared or found to be unenforceable, the balance of this Purchase Order shall be interpreted and enforced as if the unenforceable provision or requirement had never been a part hereof.

17. Insurance. Seller shall maintain and require its subcontractors to maintain, the following insurance coverage: i) comprehensive general liability insurance ii) comprehensive automobile liability insurance and iii) business interruption insurance, iv) workers compensation and employer's liability insurance covering all employees engaged in the performance of this Order for claims arising under any applicable workers' compensation, occupation disease or health and safety laws and or regulations and v) such other insurance coverage as may be requested from time to time by Buyer in its sole discretion. In each case Seller's insurance coverage will name Buyer and its affiliates (as applicable) as loss payee(s) and/or "additional insured(s)" and the coverage will be in such amounts sufficient to cover obligations set forth herein or in such amounts specifically set forth on Buyer's Insurance Addendum which when published, will form part of the Order. Such insurance coverage shall among other things provide full fire and extended coverage insurance for the full replacement value of all Seller's Property and all bailed Buyer's Property. Seller hereby waives all mechanics' liens and claims and agrees that none shall be filed or maintained against Buyer's premises on account of any Supplies and shall cause all its subcontractors, materialmen and suppliers (and subcontractors of such parties) to provide similar waivers and agreements in form satisfactory to Buyer.

18. Buyer's Property. This Section 18 shall only apply if there is no current bailment agreement between the parties.

- 18.1 "Buyer's Property" shall mean and include: all information and materials, including tooling which has been furnished by Buyer to Seller or for which Seller has been reimbursed by Buyer (such as fixtures, gauges, jigs, patterns, castings, cavity dies, molds, with all related appurtenances, accessories, and accessories, collectively herein referred to as "Tooling"), packaging, documents, standards, specifications, samples, trade secrets, manufacturing processes, marketing and pricing data, proprietary information and other materials and items (including whether or not such materials are in any way modified, altered or processed) furnished by Buyer either directly or indirectly to Seller to perform the Order, along with any and all supplies, Tooling, deliverables, data, and Intellectual Property Rights (as defined in Section 19.1) which are property of Buyer under the terms of the Order. Buyer's Property shall be and remain the sole and exclusive property of Buyer.
- 18.2 With respect to Buyer's Property in the custody or control of Seller or Seller's suppliers, contractors or agents: (i) Seller shall use it or permit its use only for the production of Supplies for Buyer; (ii) Seller, at its own expense, shall keep Buyer's Property in good working condition and house, maintain, repair and replace it as necessary so that such Buyer's Property shall remain in the same condition as it was when it was received by Seller, except for normal wear and tear; (iii) Seller shall keep such Buyer's Property fully insured for the benefit of Buyer at all times while in Seller's possession; and (iv) Seller shall keep Buyer's Property, and cause any of its suppliers, contractors or agents in possession of such Buyer's Property to keep such Buyer's Property, segregated from all other assets and labeled as being the property of Buyer. Seller

- shall not release, relocate or dispose of Buyer's Property to any third party without the prior, express, written permission of Buyer. Seller shall promptly notify Buyer of the location of Buyer's Property if located at any place other than Seller's facility.
- 18.3 Seller shall assume all risk of death or injury to persons or damage to property arising from its use of Buyer's Property. **TO THE EXTENT PERMITTED BY LAW, BUYER SHALL HAVE NO LIABILITY TO SELLER OR ANYONE CLAIMING BY OR THROUGH SELLER FOR ANY INCIDENTAL OR CONSEQUENTIAL OR OTHER DAMAGES OF ANY KIND WHATSOEVER RELATING TO BUYER'S PROPERTY SUPPLIED BY BUYER. BUYER DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO SUCH BUYER'S PROPERTY, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND SELLER WAIVES, FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS, ALL CLAIMS OF NEGLIGENCE AND STRICT LIABILITY.**
- 18.4 Immediately upon Buyer's request, pursuant to any bailment agreement or upon any bankruptcy or insolvency filing, and without payment of any kind, Seller shall return Buyer's Property, and shall comply with Buyer's instructions relating to its return, including the method and location for its return. Seller shall be responsible for labor and other costs incidental to such Buyer's Property's return. Seller shall cooperate with Buyer and shall provide Buyer with access to all facilities at which Buyer's Property is located. Seller expressly waives any right to additional notice or process relating to Buyer's exercise of its rights under this Section. Seller waives, to the extent permitted by law: (i) any lien or other rights that Seller might otherwise have on any of Buyer's Property, including molder's and builder's liens; and (ii) any objection to Buyer's repossession and removal of Buyer's Property for any or no reason, including bankruptcy or insolvency proceedings. iii) workers compensation and employer's liability insurance covering all employees engaged in the performance of this Order for claims arising under any applicable workers' compensation, occupation disease or health and safety laws and or regulations and iv) such other insurance coverage as may be requested from time to time by Buyer in its sole discretion. In each case Seller's insurance coverage will name Buyer and its affiliates (as applicable) as loss payee(s) and/or "additional insured(s)" and the coverage will be in such amounts sufficient to cover obligations set forth herein or in such amounts specifically set forth on Buyer's Insurance Addendum which when published, will form part of the Order. Such insurance coverage shall among other things provide full fire and extended coverage insurance for the full replacement value of all Seller's Property and all bailed Buyer's Property. Seller hereby waives all mechanics' liens and claims and agrees that none shall be filed or maintained against Buyer's premises on account of any Supplies and shall cause all its subcontractors, materialmen and suppliers (and subcontractors of such parties) to provide similar waivers and agreements in form satisfactory to Buyer.

19. Proprietary Information; Record Retention

- 19.1 Any information or knowledge which Buyer may have disclosed or may hereafter disclose to Seller in connection with the Order and any and all services to be rendered and/or work to be performed pursuant to the Order is and shall be deemed confidential and proprietary information of Buyer. Seller shall not, without authorization in writing from Buyer, use (except as necessary to the performance of the Order), communicate or disclose such confidential and proprietary information of Buyer or use such information for any purpose other than to perform its obligations under the Order. Seller agrees to safeguard the confidential and proprietary information of Buyer by using reasonable efforts, consistent with those used in the protection of its own proprietary information of a similar nature, to prevent its disclosure to third parties. Seller agrees to cause its employees, "contractors", officers, directors, agents and representatives to be bound by and comply with the foregoing restrictions regarding the use or disclosure of such confidential and proprietary information. Seller further agrees not to assert any claims with respect to any technical information which Seller shall have disclosed or may hereafter disclose to Buyer in connection with the Supplies.
- 19.2 The restrictions and obligations of Section 19.1 shall not apply to information that: (a) is already publicly known at the time of its disclosure by Buyer; (b) after disclosure by Buyer becomes publicly known through no fault of Seller; or (c) Seller can establish by written documentation was properly in its possession prior to disclosure by Buyer or was independently developed by Seller without use of or reference to any of Buyer's information. Notwithstanding anything to the contrary in these POTC, any confidentiality or non-disclosure agreement between the parties that predates the Order shall remain in effect except as expressly modified by the Order, and to the extent of a conflict between the express terms of such an agreement and this Section, the terms of that agreement shall control.
- 19.3 All documents containing proprietary information relating to the Supplies produced or acquired by Seller in connection with this Agreement shall belong to Buyer. All drawings, know-how, and confidential information supplied to Seller by Buyer and all rights therein shall remain the property of Buyer and shall be kept confidential by Seller in accordance with Section 19.1 above.
- 19.4 Seller agrees not to assert any claim against Buyer or its suppliers with respect to any technical information that Seller has disclosed or may disclose to Buyer in connection with the Supplies covered by the Order, except to the extent expressly covered by a separate written confidentiality and/or license agreement signed by Buyer or by a valid patent expressly disclosed to Buyer prior to or at the time of the Order.
- 19.5 Seller shall, within five (5) business days of Buyer's request or the expiration or termination of the Order, return all confidential and proprietary information (including all copies, notes and/or extracts thereof). This Section 19 shall survive termination of the Order.
- 19.6 Seller shall keep all relevant documents, data and other written information relating in any manner to the Supplies for at least three (3) years following: (a) in the case of the Supplies, the later of the last delivery of the Supplies or the date of the final payment to Seller under the Purchase Order; and (b) in the case of Tooling, the later of the date of completion of any applicable PPAP, the date of submission of any applicable part submission warrant, or the date of final payment. Buyer may make copies of these materials at any time prior to their destruction.

20. Entire Agreement; Modifications; Buyers Website

- 20.1 The Order is the entire agreement between the parties respecting the Supplies and supersedes any prior agreements, negotiations or understandings of the parties respecting the Supplies, whether written or oral, except that a signed prior agreement (such as an award letter, statement of work, or non-disclosure agreement) will continue to apply to the extent not directly in conflict with the Order. This Order may only be modified by (i) a written amendment executed by authorized representatives of each party or (ii) by Buyer (a) for changes within the scope of Section 3, by an amendment to the Order issued by Buyer or (b) from time to time by posting revised POTCs to Buyer's Website at www.amcautomation.com, or its successor website. Such revised POTCs shall apply to all purchase order revisions/amendments and new Orders issued on or after the effective date thereof. Seller shall be responsible to review Buyer's Website periodically.
- 20.2 Buyer's Website may also contain specific additional requirements for certain items covered by the Order, including labeling, packaging, shipping, delivery and quality specifications, procedures, directions and/or instructions. Any such requirements shall be deemed to form part of the terms and the Order. Buyer may periodically update such requirements by posting revisions thereto on Buyer's Website. In the event of any inconsistency between the Order and Buyer's Website, the terms of the Order shall prevail, unless the requirements specified on Buyer's Website expressly provide otherwise.
- 20.3 Seller covenants that each express representation and warranty of Seller in this Agreement shall remain true and correct during the term and any extension thereof. To the extent that Seller becomes aware that any such representation or warranty becomes untrue in any material respect during the term, Seller shall notify Buyer of the facts and circumstances surrounding such situation.

21. Conflict of Interest.

Seller represents and warrants that its performance of the Order shall not in any way conflict with any continuing interests or obligations of Seller or its employees or contractors. Seller further warrants that while the Order is in effect, Seller and those of its employees and contractors participating in the performance of the Order shall refrain from any activities which could reasonably be expected to present a conflict of interest with respect to Seller's relationship with Buyer or its performance of the Order. Except with respect to the Directing Customer in the event Seller is a Directed Seller, Seller may not directly solicit Buyer's Customer for sales of the Supplies, goods substantially similar to the Supplies or any goods substantially similar to the goods sold by Buyer to Buyer's Customer.