

Terms and Conditions of Purchase

Notice

By shipping the goods ordered or by acknowledging receipt of this order, you thereby accept and agree to the terms and conditions of sale set forth below as well as those set forth on the face of our purchase order. These terms and conditions constitute our offer to purchase and may only be accepted on the exact terms set forth and no other terms and conditions shall be controlling. These terms and conditions supersede the terms of your proposal or acknowledgement form, if any.

Authority

The Profit Center Manager or his/her designated agent shall have final authority to approve, amend or cancel any purchase order issued.

Price and Payment

This order must not be filled at higher prices than last quoted or charged, without the prior written approval of our Profit Center Manager or his/her designated agent. If any of the prices specified in this order have been reduced at the time of shipment, you agree to bill us at the reduced price. If no price is specified on this order for an item, you agree to bill us for such item at the lower of your price for such item on the date of this order or your price at the date of shipment. Payment shall be as specified on the face of our purchase order. We will not honor drafts drawn upon us for this order of any C.O.D. shipments. No charge will be allowed for packing, freight or cartage without our prior written approval. Prices charged by you shall not be in excess of any ceilings established or those permitted by applicable law or governmental regulations, if any.

Delivery and Risk of Loss

We may cancel or reject all or any part of this order which is not delivered within the time specified. Time is of the essence. Unless otherwise specified in writing, title to the goods shall pass to us at the F.O.B. destination point set forth on the face of our purchase order.

Warranties and Claims

Goods delivered hereunder are subject to inspection, testing and approval by us, or if shipped directly to our customer, by our customer. You warrant that the goods to be purchased hereunder: (a) are free from defects of title, labor, material, or fabrication; (b) conform to applicable specifications, drawings, samples or other descriptions given; (c) are suitable for the purposes intended; (d) are of merchantable quality; (e) were designed and manufactured in conformity with all applicable federal, state or local laws or regulations presently in effect in the United States and the laws of the other countries in which the goods are produced or delivered; (f) Seller warrants that all goods provided hereunder shall strictly adhere to all applicable federal, state or local laws or regulations

presently in effect in the United States and all other countries in which the goods are produced or delivered with respect to the operation of their production facilities and labor practices including, without limitation, the Fair Labor Standards Act, and those pertaining to the manufacturer, labeling, invoicing and sale of such goods or services; (g) shall not violate or infringe the proprietary or intellectual property rights of any person or entity; and (h) if of your design, are free from defects in design. These warranties shall be for our benefit as well as for our successors, assigns and customers and all users of the goods. You agree to replace, install or correct promptly without expense to us, any goods not conforming to your above warranties when notified by us. In the event of your failure to correct or replace goods as required, we may do so and charge you for the expense we incurred in doing so. Acceptance or any use of the goods shipped to us or our customer hereunder shall not affect your obligation under the above warranties. All rejected goods shall be charged back to you at full invoice price, plus handling and transportation charges. On shipments made direct to our customers, you will, upon request, promptly present claim for loss, damage or over-charge to the carrier. In the event of shortages, our count or that of our customer shall govern. If goods have been rejected by us or our customer and you have been notified of rejection, the goods shall thereafter be held at your risk and expense. Unless promptly notified to the contrary, we will redeliver said goods to the carrier which made delivery to us for return to you at your expense. The above remedies are not exclusive and shall not preclude seeking damages from you for any breach of your representations and warranties.

Compliance with Laws

Required regulations relative to Affirmative Action and Equal Employment Opportunity are incorporated by specific reference to Executive Order 11246, As Amended; 41 C.F.R. § 60-1.4; 41 C.F.R. § 60-300.5; 41 C.F.R. § 60-741.5, As Amended; and Executive Order 13496, 29 C.F.R. Part 471 Appendix A. **This contractor and subcontractor shall abide by the requirements of 41 CFR 60-741.5(a) and 41 CFR 60-300.5(a). These regulations prohibit discrimination against qualified individuals on the basis of disability and qualified protected veterans, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities and qualified protected veterans.**

Sellers located in the United States warrant that they shall at all times comply with applicable provisions relating to government contractors and subcontractors, which provisions, and any contract clauses required thereunder, are incorporated in this purchase order by reference as if set forth in full including Executive Order 13496, 29 C.F.R. Part 471, Appendix A, the Affirmative Action and Equal Employment Opportunity clause of Executive Order 11246, as amended; 41 C.F.R. § 60-1.4; 41 C.F.R. § 60-250.5; 41 C.F.R. § 60-300; and 41 C.F.R. § 60-741.5. Where legally required, Seller shall include these clauses in its purchase orders supporting this order and shall, at Hajoca's request, certify to all of the foregoing.

Indemnification

You agree to indemnify and hold us and/or our customers harmless against any claims, loss, damages, expenses or cost arising out of or connected with any: (i) alleged infringement of patent; (ii) breach of your representations and warranties relating to the goods to be purchased hereunder; or (iii) death of or bodily injury to any person, damage to any real or tangible personal property, or any other damage or loss resulting or claimed to result from any actual or alleged defect in the goods or caused by the negligence or misconduct of your respective employees or other authorized agents. With respect to patent infringements, you will also promptly undertake the defense of any such action brought against us.

Taxes

You accept and assume exclusive liability for timely compliance with and payment of all assessments and taxes under all valid federal and state laws which might impose any charge or liability on us in connection with the subject matter of this order, and you hereby undertake to reimburse us on demand for all sums we may pay under any such law in event of your failure to comply therewith.

Terminations-Government Contracts

As to any of the material contained in this order, which is for delivery under Government contracts, this order is placed with you upon condition that if any corresponding order from our customer is terminated in whole or in part, you agree to accept termination of that portion of the order upon notice from us. Settlement between us shall be made pursuant to the provisions of the United States Government's standard termination clauses then in force.

Insurance

You shall procure and maintain at your own expense Commercial General Liability, Product Liability and Operations Liability Insurance on an occurrence basis with policy limits of at least \$1,000,000. This insurance must be written by an insurance company with a minimum rating of Best's A- VII or its equivalent, duly incorporated in the United States of America. You shall evidence that such insurance is in force. You shall use your reasonable commercial efforts to obtain a written obligation from the insurer to notify Hajoca Corporation in writing at least thirty (30) days prior to cancellation or refusal to renew. You shall, within 30 days prior to expiration of such insurance, deliver another certificate of the insurer evidencing renewal of such insurance.

Termination for Buyer's Convenience

We may at any time terminate this purchase order in whole or in part for our convenience for any reason whatsoever. If such termination occurs after partial deliveries shall have been made, or other partial performance hereunder has occurred, and same has been accepted by us, you shall be paid therefore at applicable unit prices

or on the basis of percentage completed which has been agreed upon at time of acceptance. We shall have the right to take possession of any goods or materials in your possession and we shall reimburse you for the cost thereof, subject to our right of set-off. Hajoca shall not be liable for any indirect, economic, incidental, punitive or consequential damages (including, without limitation, lost profits, loss of business revenue or earnings or the like) directly or indirectly arising out of, or in connection with, the transactions contemplated by this purchase order.

Assignment

This purchase order or any interest or claim thereunder shall not be assigned or subcontracted or transferred by you without prior written approval from Hajoca.

Modification

These terms and conditions may only be amended or modified by a written instrument signed by both parties.

Choice of Law/Venue

The interpretation and enforcement of this purchase order shall be governed by the laws of the Commonwealth of Pennsylvania. Vendor hereby consents to the exclusive jurisdiction of the Pennsylvania state courts in any and all actions or proceedings arising hereunder.