

TERMS OF SALE

Standard Terms and Conditions of Sale

1. ACCEPTANCE, WAIVER, MODIFICATION, INTERPRETATION AND CONSTRUCTION

Orders which are accepted, and contracts that are formed, are accepted or formed at Seller's offices on the basis of and strictly limited to the Seller's standard terms and conditions of sale, which Buyer is deemed to consent to as a condition thereto and which shall control over any contrary or additional terms and conditions on any purchase order or other document of Buyer, which additional terms and conditions are hereby objected to and to which Seller shall not be bound. Waiver of any term or condition of sale shall not constitute waiver of any other term or condition or legal remedy of Seller. Any act by Buyer of confirmation of any transaction contemplated hereby, including any order issued in response to a quote of Seller, shall constitute Buyer's acceptance of Seller's terms and conditions. No modification of any order or contract shall be binding unless in writing signed by both parties hereto. Orders and contracts shall be interpreted in accordance with, and the construction hereof shall be governed by, the laws of the State of Illinois, United States of America. The laws of Illinois will govern all disputes. The venue for any disputes or litigation will be the appropriate courts located in Kane, Illinois. Captions as used herein are for convenience or reference only and shall not be deemed or construed as in any way limiting or extending the meaning of any terms and conditions.

2. TITLE, DELIVERY, RISK OF LOSS AND SHIPPING

Title to and risk of loss of all goods sold hereunder shall pass to Buyer upon their delivery, F.O.B. Seller's factory (unless a different F.O.B. point is otherwise agreed to and accepted) to any agent of Buyer, including a common carrier or warehouse, as hereinafter provided. Wherever transportation rates and carrier's liability for damage depend upon the value of the shipment as declared by shipper, Seller will declare such value as will entitle Buyer to have goods shipped at the lowest permissible transportation rates unless otherwise instructed in writing by Buyer. Buyer will furnish written destination instructions for all goods as promptly as possible. Seller shall for the account and at the expense and risk of Buyer arrange for shipment of the goods by a carrier of Buyer's own selection to Buyer's destination. In the absence of destination instructions, Seller may at Buyer's expense and with notice to Buyer, warehouse the goods in a reasonably suitable manner. Seller shall not be liable for loss or damage attributed to negligence either in selection of the carrier or the warehouse or in agreeing with either of them to contract terms on Buyer's behalf.

All prepaid shipments will be at Seller's option. Customer requested premium cost freight routing, including airfreight will be shipped F.O.B. shipping point, freight collect to the customer.

The promised shipping date is the Seller's best estimate and will not operate to bind Seller to ship or make deliveries on the date indicated on quotation or order acknowledgment.

3. PRICE AND PAYMENT

Unless otherwise specified, all orders or contracts accepted will be invoiced at Seller's prices in effect on the date of shipment, which Buyer agrees to pay. Unless otherwise specified, payment terms are net 30 days, and overdue accounts shall accrue charges at a rate of 1.5% (.015) per month or the maximum legal rate, whichever is less. Credit and delivery shall be subject to Seller's approval and Seller reserves the right to alter the terms and fix a limit of credit. Each order or contract shall be treated as a distinct contract but if Buyer shall fail to fulfill the terms of payment, Seller may without prejudice to any other lawful remedy defer further shipments, and/or cancel any order or contract. Buyer shall be liable to Seller for all costs and fees, including attorneys' fees, which Seller may reasonably incur in any actions by Seller taken to collect on any overdue account of Buyer. Unanticipated cost increases created by circumstances such as, but not limited to, changes in government energy policies, or raw materials price increases are not covered by the price quoted. Any order accepted requiring special manufacturing processes, inspection, specified weight, packaging, test results, certification, etc., is subject to additional charges.

4. INSPECTION

If upon receipt of the goods by Buyer at destination the same shall appear not to conform to this order or contract, Buyer shall within thirty (30) days after receipt thereof notify Seller of such condition and afford Seller a reasonable opportunity to inspect the goods and make any appropriate adjustment or replacement. The remedies afforded Buyer under the paragraph hereof entitled "LIMITED WARRANTIES, REMEDIES AND LIMITATIONS" shall be the exclusive remedies for defective goods whether or not discovered upon inspection by Buyer. Buyer shall not delay payment for the goods pending their inspection.

5. LIMITED WARRANTIES, REMEDIES AND LIMITATIONS

a. Defective Goods

Seller warrants to Buyer that at the time of delivery the goods sold hereunder will be free from defects in design, material and manufacture and will conform substantially to Seller's applicable specifications as stipulated in the order or contract. Seller's liability and Buyer's remedy under this warranty are strictly limited to the refund of purchase price, repair or replacement, at Seller's sole option, of goods or materials sold which are returned to Seller and which are shown to Seller's reasonable satisfaction to have been defective provided that written notice of the defect shall have been given by Buyer to Seller within sixty (60) days of delivery of such goods by the Seller. Transportation charges to and from Seller's location for the return of defective goods to Seller and their re-shipment to Buyer and the risk of loss thereof will be borne by Buyer. If services or data are to be furnished hereunder, Seller warrants to Buyer that such services will be performed or such data prepared in a good workmanlike manner. Seller's liability and Buyer's remedy under this warranty are limited to the correction of such services or data as are shown to Seller's reasonable satisfaction to have been defective, provided that written notice of such defective services or data shall have been given by Buyer to Seller within thirty (30) days after the performance of such services or delivery of such data by Seller.

b. Title

Seller warrants to Buyer that it will convey good title to the property sold. Seller's liability and Buyer's remedy under this warranty are strictly limited to the removal of any title defect or, at the sole option of the Seller, to the replacement of the goods or parts thereof which are defective in title; provided however, that the rights and remedies of the parties with respect to patent infringement shall be limited to the provisions of subparagraph c below.

c. Patent Infringement

Seller shall conduct, at its own expense, the entire defense of any claim, suit or action alleging that, without further combination, the use or resale by Buyer or any subsequent purchaser or user of the goods delivered hereunder, directly infringes any United States patent, but only on the conditions that, (1) Seller receives prompt written notice of such claim, suit or action, full opportunity and authority to assume the sole defense thereof including settlement and appeals, and all information available to Buyer and defendant for such defense, (2) said goods are made according to a specification or design furnished by Seller, or if a process patent is involved, the process performed by the goods is recommended in writing by Seller, and (3) the claim, suit or action is brought against Buyer or one expressly indemnified by Buyer. Provided all three of the foregoing conditions have been met, Seller shall, at its own expense, either settle said claim, suit or action or shall pay all damages excluding consequential damages and costs awarded by the court therein and, if the use or resale of such goods is finally enjoined, Seller shall, at Seller's option, procure for defendant the right to use or resell the goods, replace them with equivalent non-infringing goods, modify them so they become non-infringing but equivalent, or remove them and refund the purchase price (less a reasonable allowance for use, damage or obsolescence). No indemnity is granted by Seller under the patents of any nation other than that specified above, nor with respect to any of the goods or components thereof manufactured according to a specification or design of anyone other than Seller. If a claim, suit or action is based on a specification or design furnished by Buyer or on the performance of a process not recommended in writing by Seller, or on the use or sale of the goods delivered hereunder in combination with other goods not delivered to Buyer by Seller, Buyer shall indemnify and save Seller harmless there from.

d. Exclusive Warranties and Remedies

THE FOREGOING WARRANTIES ARE EXCLUSIVE AND ARE GIVEN AND ACCEPTED IN LIEU OF (a) ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ARISING OUT OF THE CONDUCT OF THE PARTIES, AND (b) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR SELLERS NEGLIGENCE,

ACTUAL OR IMPUTED. The remedies of the Buyer for breach of any warranty arising hereby, expressed or implied, or by operation of law, or for breach of any duty of Seller, expressed or implied or arising out of any conduct of the parties, shall be strictly limited to those provided herein to the exclusion of any and all other remedies including, without limitation, claims for incidental or consequential damages. No agreement varying or extending the foregoing warranties, remedies or these limitations will be binding upon Seller unless in writing, signed by a duly authorized executive officer of Seller.

6. EXCUSABLE DELAYS

Buyer acknowledges that the goods and/or services called for hereunder are to be manufactured or provided by or for Seller to fulfill this order or contract and that the delivery date(s) is (are) based on the assumption that there will be no delay due to causes beyond the reasonable control of Seller. Seller shall not be charged with any liability for delay or non-delivery when due to delays of suppliers, acts of God or the public enemy, compliance in good faith with any applicable foreign or domestic governmental regulation or order, whether or not it proves to be invalid, fires, riots, labor disputes, unusually severe weather or any other cause beyond the reasonable control of Seller. To the extent such causes actually retard deliveries on the part of the Seller, the time for performance shall be extended for as many days beyond the date thereof as is required to obtain removal of such causes. This provision shall not, however relieve Seller from using its best efforts to avoid or remove such causes, and continue performance with reasonable dispatch whenever such causes are removed.

7. TAXES

In addition to the agreed purchase price of the goods and/or services called for hereunder any and all taxes (not including any U.S. income or excess profit taxes attributable to Seller) which may be imposed by any taxing authority, arising from the sale, delivery or use of the goods and/or the furnishing of the services hereunder and for which Seller may be held responsible for collection or payment, either on its own behalf or that of Buyer, shall be paid by Buyer to Seller upon Seller's demand.

8. FINANCIAL RESPONSIBILITY OF BUYER

If before completion of performance of any order or contract by Seller, a receiver or trustee is appointed for any of Buyer's property, or Buyer be adjudicated or voluntarily becomes a bankrupt under any bankruptcy, dissolution or re-organization laws or similar legislation, or if Buyer becomes insolvent or makes an assignment for the benefit of creditors, or an execution be issued pursuant to a judgment rendered against Buyer, or should Buyer be unable or refuse to make payment to Seller in accordance with any of its obligations to Seller, Seller may at its option in any of such events terminate any order or contract by giving to Buyer a written notice of its intention so to do and Seller shall thereupon be relieved of any further obligation to Buyer and Buyer shall reimburse Seller for its termination costs and expenses and a reasonable allowance for profit.

9. CANCELLATIONS AND RETURNS

Orders may be canceled, and goods may be returned for credit, only upon the prior written approval of Seller and upon terms protecting Seller from loss.

Due to raw material and manufacturing plant scheduling, all orders once placed with and accepted by Seller are non-cancelable without prior written approval of seller.

Seller will issue a formal RETURN MATERIAL AUTHORIZATION notification to support all authorized returns. For any credit, this document must denote the Buyer's order number, Seller's invoice number, description, and quantity of item to be returned, and reason for request. Freight prepaid to plant of manufacture, unless authorized otherwise. Custom fabricated items are not subject to return. All material must be returned to Seller in the original condition and in the original or "like original" packaging.

10. CHANGES

Seller may at its option modify Buyer's order where necessary by making any of the following changes: (a) substituting the latest or correct part number or part description for the part number or part description set forth on the order; (b) substituting Seller's prices in effect as applicable to the order for the prices set forth in Buyer's order; (c) substituting an estimated delivery schedule which is reasonable (considering Seller's stock availability and lead time) for the delivery schedule set forth on the order; (d) correcting any stenographical or typographical error on any document.

11. COMPLIANCE WITH FAIR LABOR STANDARDS ACT

Seller hereby certifies that all goods sold hereunder which are produced or manufactured in the United States of America are produced in compliance with the Fair Labor Standards Act of 1938, as amended (29 U.S. Code 201-219). All requirements as to the certificate contemplated in the October 26, 1949 amendment to the Fair Labor Standards Act of 1938 shall be considered as satisfied by this certification.

12. APPENDICES

Any appendix or other terms and conditions of the Seller as may be attached hereto, be on the reverse hereof, and/or be identified herewith are hereby incorporated and made a part of these terms and conditions. All orders or contracts shall be subject to such additional terms and conditions which shall control over any inconsistency with the terms and conditions stated herein.

13. ENTIRE AGREEMENT

The terms and conditions of this order or contract constitute the entire agreement between the parties hereto and shall supersede all previous communications, representations or agreements, either oral or written between the parties hereto with respect to the subject matter hereof.

14. CHANGES — PROCESS, MATERIAL AND PRODUCT DESIGN

Seller continually develops and uses new processes, materials and product designs in an effort to improve its products, while maintaining conformity to specifications. If your applications of our products rely upon any performance, dimensional or content criteria other than as required by the applicable specifications, you must conduct regular testing or evaluation of those specific products. Seller makes no warranty or representation of any nature that any material shipped conforms to any material of like product description as may have previously been delivered to you, except as to the applicable specifications.