



## GENERAL TERMS AND CONDITIONS OF PURCHASE

(revised January 5, 2012)

1. **ACCEPTANCE.** Seller may accept this purchase order only by performance, and Buyer reserves the right to cancel this purchase order at any time prior to such performance without prior notice.

2. **PRICE.** The acceptance of this purchase order constitutes a warranty that the prices to be charged for goods or services ordered do not exceed the customary prices charged to other similarly situated customers for similar quantities, business terms and delivery requirements,

3. **INVOICES.** Seller will submit invoices showing the following information: purchase order number; item number; description of item; size of item; quantity of item; unit prices; each applicable tax; extended totals and any other information specified elsewhere herein. A Bill of Lading or express receipt must accompany each invoice. Payment of invoice will not constitute acceptance of goods and will be subject to adjustment for errors, shortages, defects in the goods or other failure of Seller to meet the requirements of this purchase order. Buyer may at any time set off any amount owed by Buyer to Seller against any amount owed by Seller or any of its affiliated companies to Buyer,

4. **DISCOUNTS.** Time in connection with any discount offered by Seller will be computed from the latest of (i) the scheduled delivery date, (ii) the date of actual delivery, or (iii) the date an acceptable invoice is received. For the purpose of earning the discount, payment will be deemed to have been made on the date of mailing of Buyer's check.

5. **OVERSHIPMENTS.** Buyer will pay only for maximum quantities ordered. Overshipments will be held by Buyer at Seller's risk and expense for a reasonable time awaiting shipping instructions.

6. **PACKING AND SHIPMENT.** Unless otherwise specified, when the price of this purchase order is based on the weight of the ordered goods, such price is to cover only the net weight of material ordered, and no charges will be allowed for packing: handling, transportation, storage or other packing requirements. Unless otherwise specified, Seller will package and pack all goods in a manner which is (a) in accordance with good commercial practice, (b) acceptable to common carriers for shipment at the lowest rate for the particular goods, (c) in accordance with F.C.C. regulations, and (d) adequate to insure safe arrival of the goods at the named destination. Seller will mark all containers with necessary lifting, handling, and shipping information and with purchase order numbers, date of shipment, and the names of the consignee and consignor. An itemized packing list must accompany each shipment. No partial or complete delivery will be made prior to the due date or dates shown unless Buyer has given prior written consent.

7. **SHIPPING TERMS; RISK OF LOSS.** Unless otherwise specifically provided on the face of this order, the products ordered hereunder will be delivered CIP Buyer's facility. Notwithstanding any prior inspections, Seller bears all risk of loss, damage or destruction to the ordered goods until final acceptance of the goods by Buyer at destination. Seller will bear the same risk with respect to any goods rejected by Buyer. Buyer, however, will be responsible for any loss occasioned by the gross negligence of its employees acting within the scope of their employment.

8. **WARRANTY.**(a) Seller warrants that all goods delivered (i) will be free from defects in workmanship, material and manufacture, (ii) will comply with the requirements of this purchase order, including any drawings or specifications incorporated herein or samples furnished in connection with this purchase order, and (iii) where design is Seller's responsibility, will be free from defects in design. The foregoing warranties constitute conditions to this purchase order. They are in addition to all other warranties, whether expressed or implied, and will survive any delivery, inspection, acceptance or payment by Buyer. All warranties run to the benefit of Buyer and its customers.(b)Buyer's approval of Seller's materials or design will not relieve Seller of any warranties. (c)if any goods delivered do not meet the warranties specified herein or otherwise applicable, Buyer may at its option, (i) require Seller to correct any defective or nonconforming goods by repair or replacement at no cost to Buyer, or (ii) return such defective or nonconforming goods to Seller at Seller's expense and recover from Seller the order price thereof, or (iii) correct the defective or nonconforming goods itself and charge Seller with the cost of such correction.

9. **INSPECTION AND ACCEPTANCE.** Notwithstanding any prior inspection or payments, (a)all goods will

be subject to final inspection and acceptance at Buyer's plant within a reasonable time after delivery, and (b) all services will be subject to the terms of purchase contained in this purchase order or the terms of a services agreement if separately executed by Buyer and Seller. In the event of a conflict, the terms of the services agreement shall take precedence. In the event any item is defective in material or workmanship, or otherwise not in conformity with the requirements of this order, Buyer will have the right to reject it, to require its correction or to accept it with an agreed-upon adjustment in price. Any item that has been rejected or required to be corrected must be replaced or corrected by and at the expense of Seller promptly after notice. If, after being requested by Buyer, Seller fails to promptly replace or correct any defective item, then Buyer (i) may, by contract or otherwise, replace or correct such item and charge to Seller the cost occasioned thereby, or (ii) may, without further notice, cancel this purchase order for default in accordance with Section 11 below, or (iii) may require an appropriate reduction in price.

**10. CHANGE ORDERS.** (a)The Buyer may at any time, by a written order, suspend performance hereunder, increase or decrease the ordered quantities, change the due date or make changes in any one or more of the following: (i) applicable drawings, designs or specifications; (ii) method of shipment or packing; and/or (iii) place of delivery, (b)if the change causes a change in the cost or the time required by Seller for performance of this purchase order and Seller so notified Buyer, then an equitable adjustment will be made in the order price or delivery schedule or both, and the purchase order will be modified accordingly in writing. No claim by Seller for such an adjustment will be valid unless asserted within ten (10) business days of receipt by Seller of the notification of change, provided, however, that such period may be extended upon the written approval of Buyer. (c)Nothing in this Section 10 is intended to excuse Seller from proceeding with this purchase order as changed or amended.

**11. CANCELLATION FOR DEFAULT.** (a) It is understood and agreed that time is of the essence for this order because the goods or services ordered herein are needed for products and/or services of Buyer necessary to compete in a fast-moving market. Buyer may, by written notice, cancel this order in whole or in part if, in Buyer's good-faith opinion, Seller (i) has failed to make delivery of the items or to perform the services within the time specified herein, or any extension thereof by written change order or amendment; or (ii) has failed to replace or correct defective items in accordance with the provisions of Sections 8 and 9 above; or (iii) has failed to perform any of the other provisions of this purchase order, or (iv) has so failed to make progress under this purchase order as to endanger performance in accordance with its terms.(b)if this purchase order is canceled for Seller's default, Buyer may procure, upon such terms and in such a manner as Buyer may deem appropriate, goods or services substantially similar to those canceled. Seller will then be liable to Buyer for any reasonable excess costs occasioned thereby. (c) if all or a portion of this purchase order is canceled for Seller's default, Buyer may require Seller to transfer title and to deliver to Buyer, in the manner and to the extent directed by Buyer, (i) all completed items not yet delivered and (ii) any partially completed items and materials that Seller has produced or acquired for the performance of the terminated portion. Seller will, upon direction of Buyer, protect and preserve the property listed in this paragraph that is in the possession of Seller. Payment for completed items delivered to and accepted by Buyer under this paragraph will be in an amount (not to exceed the contract price) agreed upon by Seller and Buyer; however, Seller's obligation to carry out Buyer's direction as to delivery, protection, and preservation of the property will not be contingent upon prior agreement as to such amount. (d)Nothing in this Section 11 is intended to excuse Seller from proceeding with any uncanceled portion of this purchase order.

**12. TERMINATION FOR CONVENIENCE.** (a)At any time for convenience, Buyer may terminate work under this purchase order in whole or in part, by written notice, (b)Upon such termination, Seller will, to the

extent and at the times specified by Buyer, stop work under this purchase order, place no further orders for materials to complete the work, assign to Buyer all Seller's interests under terminated subcontracts and orders, settle all claims thereunder after obtaining Buyer's approval, protect all property in which Buyer has or may acquire an interest, and transfer title and make delivery to Buyer of all goods, materials, work in process, and other things held or acquired by Seller in connection with the terminated portion of this purchase order. Seller will proceed promptly to comply with Buyer's instructions respecting each of the foregoing without awaiting settlement or payment of its termination claim. (c) Within six (6) months after such termination, Seller may submit to Buyer its written claim for termination charges, in the form and with the certifications prescribed by Buyer. Failure to submit the claim within six months will constitute a waiver of all claims and a release of all Buyer's liability arising out of the termination. (d) The parties may agree upon the amount to be paid Seller for such termination. If they fail to agree, Buyer will pay Seller the following amounts: (i) the contract price for all items completed or services rendered in accordance with this purchase order and not previously paid for; (ii) the actual costs incurred by Seller which are properly allocable under recognized commercial accounting practices to the terminated portion of this purchase order, plus a fair and reasonable profit on such costs. If it appears that Seller would have sustained a loss on the order no profit will be allowed and an adjustment will be made reducing the amount of the settlement to reflect the indicated rate of loss; and (iii) the reasonable costs incurred by Seller in making settlement hereunder and in protecting property in which Buyer has or may acquire an interest. (e) Payments made under Section 12(d)(1) and (ii) above may not exceed the aggregate price specified in this purchase order less payments otherwise made or to be made. Any amounts payable for property lost, damaged, stolen or destroyed prior to delivery to Buyer will be excluded from amounts otherwise payable to Seller under this Section 12.

**13. WAIVER; REMEDIES.** The failure of Buyer to enforce at any time any of the provisions of this purchase order, to exercise any election or option provided herein, or to require at any time the performance by Seller of any of the provisions herein will not in any way be construed to be a waiver of such provisions. The remedies stated herein are in addition to all other remedies at law or in equity.

**14. INDEMNIFICATION.** (a) Seller agrees to indemnify Buyer, its agents, customers, successors, and assigns against any loss, damage, and liability (including costs and expenses) for actual or alleged infringement of any patent, copyright or trademark arising out of the use or sale of the goods by Buyer, its agents or customers, provided, however, that Buyer must notify Seller of any suit, claim or demand involving such infringement and permit Seller to defend against or settle the same. If any injunction is issued as the result of any such infringement, Seller agrees, at Buyer's option, to (i) refund to Buyer the amounts paid to Seller for the goods covered by the injunction or (ii) furnish Buyer with acceptable and non-infringing goods. (b) Seller agrees to indemnify Buyer against any and all liability and expense resulting from any alleged defect in the goods, whether latent or patent, including allegedly improper construction and design, or from the failure of the goods to comply with specifications. (c) Seller warrants that there are no liabilities for royalties, mechanics' liens or other encumbrances on the goods supplied and agrees to indemnify Buyer against any such liabilities. (d) The above indemnifications are in addition to all other rights of indemnification of Buyer against Seller.

**15. NON-DISCLOSURE OF CONFIDENTIAL MATTERS.** Seller will not quote for sale to others any goods designed to Buyer's specifications or drawings. All specifications, drawings, samples, and other data and material furnished by Buyer will be protected by Seller as confidential information, will remain Buyer's property, and will be returned to Buyer on request. Seller agrees not to release information concerning this agreement to any third parties without written consent of Buyer.

**16. ASSIGNMENTS.** No right or obligation under this purchase order (including the right to receive monies

due) may be assigned by Seller without the prior written consent of Buyer, and any purported assignment without such consent will be void. Buyer may assign this purchase order at any time to any party which assumes Buyer's obligations hereunder.

17. **DELAYS.** Whenever any event delays or threatens to delay the timely performance of this purchase order, Seller will immediately notify Buyer in writing of such event and furnish all relevant details. Receipt by Buyer of such notice will not constitute a waiver of the due dates hereunder.

18. **APPLICABLE LAW.** Americas (Bill To in California, U.S.A.): This purchase order and its performance shall be interpreted by, construed according to, and governed by, the laws and courts of the State of California without giving effect to conflicts of laws rules and principles. Europe, the Middle East, and Africa (Bill To in Ireland): This purchase order and its performance shall be interpreted by, construed according to, and governed by, the laws and courts of the Republic of Ireland without giving effect to conflicts of laws rules and principles. Asia Pacific (Bill To in Hong Kong, India, or Singapore): This purchase order and its performance shall be governed by and construed in accordance with the laws of Singapore. The UN Convention on Contracts for the International Sale of Goods shall not apply to the Agreement. Buyer and Seller shall first attempt to settle all disputes, differences, issues, etc. ("Disputes") arising out of or in connection with this Purchase Order through consultation and negotiation in good faith and a spirit of mutual cooperation, and within a period of thirty (30) days from the date a party first notifies the other of the Dispute. Any Dispute that is not so settled shall be submitted to the courts of Singapore which shall have jurisdiction over both parties, provided that Buyer shall always be permitted to bring any action or proceedings against Seller in any other court of competent jurisdiction.

19. **EXPORT COMPLIANCE.** Seller shall adhere to all applicable import and export laws and regulations of Buyer's country and of the United States, without limitation. This purchase order may involve items and information that are subject to the International Traffic in Arms Regulations (ITAR) or Export Administration Regulations (EAR). The importer/exporter of record shall not export, re-export, resell, transfer, or disclose, directly or indirectly, any Products or technical data, to any proscribed person, entity, or country, or Foreign Persons thereof, unless properly authorized by the U.S. government and/or any other applicable or relevant government or regulatory body.

20. **C-TPAT COMPLIANCE.** Seller acknowledges that Buyer participates in the Customs-Trade Partnership Against Terrorism ("C-TPAT") program administered by the U.S. Customs and Border Protection ("CBP"). Seller further agrees to take such reasonable measures as are required by Buyer and/or CBP to ensure physical integrity and security of all shipments to Buyer. C-TPAT security guidelines are available on the CBP website at <http://www.cbp.gov>. Buyer reserves the right to audit Seller's security procedures and facilities concerning C-TPAT compliance. Buyer reserves the right to terminate any transaction or arrangement with Seller to the extent necessary to support Buyer's obligations under C-TPAT.

21. **NOTICES.** Any notice or other communication to be given hereunder must be in writing and shall be deemed given and effective upon receipt, or if receipt is frustrated by the recipient, upon tender to the recipient.

22. **ON-SITE WORK.** To the extent Seller performs work on the premises of Buyer or its customers, Seller shall take all necessary precautions to prevent the occurrence of injury to persons or property during the progress of such work, and shall maintain such liability and employer's liability compensation insurance as will protect Buyer from said risks and from any claims under any applicable Worker's Compensation laws, Occupational Disease Acts or any other federal, state or local law or regulation regarding workplace safety or employee injuries.

23. **MANUFACTURING SITE INSPECTION.** For component suppliers (materials and manufacturing

services), Buyer may, upon prior written notice, perform an inspection of goods at the manufacturing site and Buyer's customer may accompany inspection.