

ERIKS USA

STANDARD PURCHASE ORDER TERMS & CONDITIONS

ACCEPTANCE: This purchase order is an offer to purchase goods and/or services as set forth on the face hereof. Any of the following acts by Seller shall constitute acceptance of this order: delivery of any of the goods ordered; commencement of performance; or expressly acknowledging the terms set forth on the face hereof. Any additional or different terms or conditions otherwise communicated by Seller in accepting this order, shall be deemed to be a material alteration of this order and is hereby objected to by Buyer unless specifically agreed to in a writing signed by Buyer. Acceptance of goods or services covered by this order will not constitute acceptance by Buyer of Seller's terms and conditions to the extent this order is in any way deemed to be an acceptance of a quotation or other offer by Seller. Any such acceptance is expressly conditional upon the consent of the Seller to the terms and conditions of this order.

PRICE & DELIVERY: Seller shall furnish the goods or services covered by this order in accordance with the prices and delivery schedule stated on the face of this order. Any changes in price or delivery terms must be approved in writing by authorized representative of Buyer. Time is of the essence under this agreement. Seller shall promptly advise Buyer of any inability to make timely shipment. If Seller does not, or it appears will not, meet buyer's delivery or work schedule, Buyer may, in addition to any other rights or remedies provided by law: (a) cancel this Agreement, in whole or in part, without liability to Buyer except for payment for goods previously shipped and accepted or services previously performed to the extent reasonable in amount; (b) approve an agreed upon revised delivery schedule; or (c) require that Seller ship via expedited routing to meet such delivery schedule or to recover lost time. Any additional transportation costs incurred as a result of expedited delivery shall be paid by Seller. Buyer may return, at Seller's expense, any goods delivered more than thirty (30) days in advance of the delivery date specified for such goods.

NO SUBSTITUTIONS: No change in the goods or services ordered under this Agreement, or their method of production, including substitutions or changes in materials, equipment, processing or production location shall be made by Seller, or any approved subcontractor, without the prior written consent of Buyer.

OVERSHIPMENTS: Overshipments to ten percent (10%) may be accepted by buyer upon the terms and conditions set forth herein. Goods which are delivered in excess of this amount are subject to rejection and return at Sellers expense.

PACKING AND SHIPPING: No charge shall be made by Seller for packing, handling or storage. An itemized packing list shall accompany each shipment. All parts are to be marked with Buyer's purchase order number, part number, qty, batch and cure where applicable. Buyer has the right to specify carrier and routing.

F.O.B. TITLE & RISK OF LOSS: Unless otherwise specified on the face of this order, the F.O.B. point shall be Buyer's location. All risk of loss, damage in transit or delay in delivery of the goods ordered shall remain with Seller until delivery to and acceptance by Buyer. If F.O.B. is specified at Seller's location, Seller shall bear all risk of loss or damage to the Goods and title shall not shift to buyer until delivery of the Goods to the carrier.

PAYMENT TERMS: Payment for goods ordered or services to be performed shall be as set forth in this Agreement unless otherwise agreed to in writing by Buyer. For purposes of determining Buyer's eligibility to earn any prompt payment discounts specified, the period during which the applicable discount may be earned and a discounted payment made shall be computed from such date of delivery and/or acceptance of goods/services whichever is later. Buyer will make payments based on Purchase Order pricing as agreed to by performance of Seller. Payments by Buyer are not made in accordance with invoice from Seller.

INSPECTION: Final inspection and acceptance by Buyer shall be at destination unless otherwise specified in this order. Such inspection shall be in accordance with the customary established inspection procedures of the location of buyer where the Goods are received. If rejection of a shipment would result from buyer's normal inspection level under such procedures, Buyer may, at its option conduct an above normal level of inspection up to 100% and charge the Seller the reasonable costs thereof. Buyer reserves the right, in addition to any other rights which it may have at law and notwithstanding prior payment therefore to Seller, to reject or refuse acceptance of all or a portion of such goods or services which are not in conformity with Seller's warranties, as determined by Buyer. Seller agrees that time for acceptance or rejection of any shipment of goods shall not expire until Buyer's sale of goods pass through inspection and acceptance of buyer's customers established inspection procedures.

REJECTION: Buyer shall have the right to return to Seller all or a portion of such non-conforming goods at Seller's sole risk and expense for full credit or refund, or require that Seller, correct or replace such goods or services with conforming goods or services within such time as Buyer may require only after written authorization from Buyer. If Seller fails to correct or replace any nonconforming goods or services promptly after notification and authorization from Buyer, Buyer may charge Seller for the cost incurred by Buyer thereby, equitably adjust the order price for such goods or services or set-off the cost hereunder, at the sole discretion of buyer. Any goods or services corrected, replaced or repaired by Seller shall be subject to the warranties and other terms of this Agreement. Payment for any goods or services hereunder shall not be deemed acceptance thereof. Buyer's failure to inspect and accept or reject goods or services shall not relieve Seller from responsibility for goods which are not in conformance with this Agreement nor for latent defects in any goods whether inspected or not, nor shall anything herein relieve Seller from obligation to inspect and test the goods or services covered by this Agreement in accordance with good commercial practices and Buyer's requirements and specifications, nor impose any liability upon buyer for such failure or defects. Seller shall maintain inspection and test records pertaining to such goods and services for a period of five (5) years after delivery of such goods and services.

WARRANTIES: In addition to all other express or implied warranties, Seller warrants that the Goods will be (a) free from defects in workmanship and materials; (b) free from defects in design except to the extent that such Goods comply with the detailed designs provided by Buyer; (c) suitable for the purposes, if any, which are implied or stated on the face of this order; and (d) in conformity with all the other requirements of this order. These warranties and all other warranties, express or implied, shall survive delivery, inspection, acceptance, and payment. Warranty shall extend one year from delivery and acceptance of Goods by buyers' customer.

MATERIALS & TOOLS: If Buyer pays for or furnishes Seller material or equipment, tools, dies, jigs etc., title thereto shall remain or vest in Buyer and Seller shall label, identify, maintain, and preserve such material and equipment and shall dispose of it only in accordance with buyer's direction. Unless authorized in writing by Buyer, Seller shall use such material or equipment exclusively in the performance of purchase orders for Buyer. Seller shall be responsible for any loss, damage, or destruction to same.

COMPLIANCE WITH LAWS: Seller agrees to comply with all federal, state and local laws, regulations and orders, and to defend, hold harmless and indemnify Buyer from any action which may be instituted against Buyer or any liability which may be imposed upon Buyer as a result of Seller's failure to comply with such laws, rules, regulations orders. Seller further agrees and certifies that it is in compliance with all applicable federal or state laws, rules and regulations pertaining to equal opportunity and affirmative action and all applicable requirements of the Fair Labor Standards Act, as amended and of regulations and orders of the United States Department of Labor. Seller shall provide to Buyer, at the time of initial shipment, a completed Material Safety Data Sheet for any substance identified as hazardous sold hereunder as required by any applicable federal, state or local law, ordinance, rule or regulation. Such sheet shall contain all the information necessary to comply with the Federal Hazard Communication Standard (29 CFR 1910.1200) and all applicable State regulations. Buyer will include right-of-entry provisions in any subcontract. This provision will allow Buyer, its customers, and regulatory agencies to determine and verify the quality of work, records, and material at any place at the subcontractor's premises.

INDEMNIFICATION & ADEQUATE INSURANCE: Seller shall defend, indemnify and hold Buyer entirely harmless from all damages to property or person, including death, resulting from defects in the supplies or services purchased under this Agreement. Seller will maintain public liability and product liability insurance in adequate amounts fully to indemnify Buyer and shall, upon Buyer's request, provide certificates of insurance evidencing Seller's insurance.

CHANGES: Buyer may, at any time, by written change order, suspend performance of this order, in whole or in part, make changes in the drawings, designs, specifications, method of shipment or packing, or time or place of delivery of the Goods, reschedule the services, or require additional or diminished Services. If any such change causes an increase or decrease in the cost of, or the time required for, performance of this order, an equitable adjustment shall be made in the contract price or delivery dates or both, and this order shall be modified in writing accordingly. Any claim for adjustment under this section may, at Buyer's option be deemed to be absolutely and unconditionally waived unless asserted in writing and delivered to Buyer within thirty (30) days from the date of receipt by Seller of the change order. Buyer's engineering/technical or other personnel are not authorized to change the Goods or Services ordered or any other provision of this order. No change order will be binding on Buyer unless issued by an authorized representative of Buyer's purchasing office.

COMPLETE AGREEMENT: This order, and any supplemental sheets and riders annexed hereto by Buyer, contains the complete and entire agreement between the parties as to the subject matter hereof, and replaces and supersedes any prior or contemporaneous communications, representations, or agreements, whether oral or written, with respect to such subject matter.