

**ALFMEIER FRIEDRICHS AND RATH LLC
PURCHASE ORDER TERMS AND CONDITIONS**

This agreement is subject to arbitration under the Uniform Arbitration Act of South Carolina, SC Code 15-48-10, ET SEQ.

1. Acceptance of Contract. Unless provided otherwise by separate agreement, Buyer shall not be bound by this order until Seller executes and returns to buyer written acknowledgment of the order. Seller shall be bound by this order and its terms and conditions when it executes and returns the acknowledgment or when delivers to Buyer any of the items ordered, or renders for Buyer any services ordered herein, or does not acknowledge the order within ten days of order receipt. These terms supersede all other terms pertaining to this subject matter and may not be altered except by a written amendment executed by Buyer. No contract shall exist except as herein above provided. Buyer may withdraw its offer to purchase anytime before acceptance. The acceptance of this purchase order constitutes an enforceable contract subject to South Carolina law as set forth below.

2. Modification of Agreement. All transactions relative to the items included within this order must reference this order. None of the terms and conditions contained in this order may be added to, modified, superseded, or otherwise altered except by a written instrument executed by an authorized representative of Buyer and delivered by buyer to Seller and each shipment received by Buyer from Seller shall be deemed to be only upon the terms and conditions in this order except as the may be added to, modified, superseded, or altered as herein provided, notwithstanding Buyer's act of accepting or paying for any shipment or similar act of Buyer.

3. Arbitration of Disputes. Either party may submit any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration rules, and judgement on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The site for the arbitration shall be Greenville, South Carolina.

4. Advance Manufacture and Shipments. Seller shall not manufacture in advance of Buyer's normal Flow Time or deliver any material in advance schedule set forth in this order without Buyer's written permission. The Buyer reserves the right to return, shipping charges collect, all material received at Buyer's plant in advance of the schedule shown in this order. Seller may request Buyer's written consent to advance manufacture and/or delivery at the time of returning acknowledgment of this order.

5. Inspection. All material, equipment, and work covered by this order must comply with requirements and specifications stated herein. Materials, equipment, and work purchased hereunder are further subject to inspection and approval at the Buyer's destination. Buyer reserves the right to reject and refuse acceptance of items which are not in accordance with instructions, specifications, drawings and data or Seller's warranty, (express or implied). Buyer will charge Seller for the cost of inspecting merchandise. Rejected items not accepted will be returned to Seller at Seller's expense unless it can be conclusively determined that such rejection was inappropriate. Payment for any article ordered hereunder shall not be deemed an acceptance thereof. Customer reserves the right to review and inspect subcontractors engineering, manufacturing, or storage areas of merchandise supplied to supplier.

6. Legal Compliance. In accepting this order Seller represents that it has complied and will continue to comply during the performance of this order with the provisions of all federal, state, and local laws and regulations for which liability may accrue to Buyer from any violation thereof. By acceptance hereof Seller certifies compliance with the "Fair Labor Standards Act" of 1938, as amended, and the Occupational Safety and Health Act of 1970, and with the regulations and standards issued pursuant thereto in the performance of this order and the goods sold hereunder will comply with the Consumer Product Act and OSHA regulations. The provisions of Executive Order 11246, the Rehabilitation Act of 1973 (PL 93112) and the Vietnam Era Veterans Readjustment Act of 1974 (PL 93-508) are incorporated by reference. All goods shipped shall conform to applicable federal, state, and local laws, regulations and ordinances. Seller shall not permit the goods to be encumbered by lien in favor of Seller for payment by Buyer.

7. Packaging and Shipment. Seller shall package goods in such a manner to avoid damage of goods in transport. Product damaged due to insufficient or inappropriate packing will be charged back to Seller. Cartons will be labeled according to AIAG standards except in cases where agreement before shipment is made with the Buyer. Packing slip and appropriate quality certificates must accompany every shipment. Goods will be shipped according to the FOB location noted on the order by the transportation carrier assigned by the Buyer. Extra shipping costs that arise due to delays by the Seller will be charged to the Seller. Shipments sent COD without Buyer's consent will not be accepted and will be at Seller's risk.

8. Delivery. Time is of the essence in this contract requiring delivery to be made on or before the date specified on the face hereof, consistent with term #4, above. If required to meet the Buyer's delivery schedule, delivery will be the fastest method possible with any resulting "premium" transportation costs at Seller's expense if delay is attributable to Seller. If delivery is not completed within the time specified, Buyer may remedy by purchase elsewhere, charge to Seller with direct loss, and, has the right to cancel this purchase order as to any unshipped items or unrendered services without any liability in addition to all other rights and remedies of Buyer. Excuse for late delivery from force majeure causes beyond control of Seller shall not extend delivery more than 10 days without prior written consent of Buyer. Labor strikes do not qualify as a force majeure cause. 100% on time delivery to requirements is expected.

9. Invoices and Payments. Separate invoices are to be rendered in duplicate for each order or shipment. Buyer's order number should appear on each invoice, bill of lading, express receipt, memorandum of shipment, package slip, and on each package. Payment should be made within 30 days of receipt of a correct invoice after conforming tender of delivery, unless a shorter cash discount period has been agreed to. The payment period and cash discount period will date from the receipt of the invoice or from the date of receipt of goods, whichever is later in time. Form of payment shall be at the option of the Buyer. Buyer has the right in case of defects caused by the Seller and to be corrected by him, to delay payment without losing cash discount privileges until the defects have been corrected. When requested, Seller shall furnish a signed certificate of origin for compliance with US customs regulations. Seller shall not assign this order or any interest therein, including any payment due or to become due with respect therein, without Buyer's prior written consent.

10. Warranty and Liability. Seller expressly warrants that material covered by this Purchase Order will conform to the specifications, drawings, or other descriptions furnished by Buyer and that the goods will be sufficient for the purpose intended, merchantable, of good material and workmanship, and free from defect. In case of delivery of defective goods, the Buyer shall have all remedies provided by law. At the option of the Buyer, the Seller may be required to:

- Resupply free of charge
- Reduce price or
- Correct defects free of charge

In case of emergency, the Buyer shall have the right, upon notice to the Seller and at the Seller's expense, to remove the defect or have the defect corrected by a third party. This right shall also apply if the Seller falls behind in warranty handling. Should the inspection method show an excess above the maximum permissible amount of defects in merchandise, Buyer shall have the right to include the total quantity of the shipment in buyer's claim of defect, or to test the complete shipment at Seller's expense. In such case the Seller must be notified before action is taken.

The Seller's replacement shipment and/or repair work will be covered by the same warranty as the original delivery.

Any shipment of defective parts is made at Seller's risk and expense regardless of where the defective parts are located.

In case of repeated shipments of defective merchandise, Buyer shall have the right to cancel the remainder of the contract and to payment for damages from the Seller. In such case, tooling cost paid by the Buyer shall be paid back pro rata.

Seller shall hold harmless and defend Buyer from and against any and all claims, demands, judgments, damages, including any incidental or consequential damages, expenses and costs (including expenses and costs, both direct and indirect, of any recall conducted either as a result of Buyer's judgment that such recall is necessary or pursuant to governmental order), including, without limitation, all legal expenses and costs of defending claims and demands with counsel of Buyer's choice, resulting from or arising out of any breach of Seller's warranties hereunder. Seller warrants that all items or services furnished hereunder conform to all applicable governmental standards and requirements, including, but not limited to, the Federal Motor Vehicle Safety Standards established under the National Traffic and Motor Safety Act of 1966, amended. No warranty will be deemed to have been waived by reason of Buyer's receipt of or payment for goods and warranties shall survive delivery, acceptance, payment, termination

or expiration of this purchase order. Goods, equipment or material rejected will be held uninsured for Seller's disposition at Seller's expense after being notified by the Buyer in writing. After 30 days, goods, equipment, or material will be disposed of if not notified by the Seller regarding actions to take.

The warranties contained herein shall be in addition to and may be modified by any and all warranties contained in contractual agreements between the parties.

11. Price and Credits. If the purchase order is issued without an agreed upon price, such order will become valid only after an agreed upon price has been confirmed by the Buyer in writing. Prices specified in the purchase order shall remain fixed for all scheduled deliveries for the duration of that order, and shall include all taxes, inspection, packing and shipping exclusive of tare weight charges unless specified otherwise in the purchase order. Credits due from Buyer's lawful rejections of goods may be deducted from payments due Seller.

12. Taxes. Except as otherwise provided herein and unless prohibited by statute, the Seller agrees to pay any Federal, State or Local Sales/Use Tax. Transportation tax or other excise tax which may be imposed upon the articles ordered hereunder or by any reason of their sale, use or delivery.

13. Changes. The Buyer reserves the right at any time to make changes to this purchase order in any one or more of the following. The work to be performed or material furnished

- Methods of shipment or packaging
- Place of delivery
- Time of delivery

If any such change causes an increase or decrease in the cost of or the time required for performance of this contract, an equitable adjustment shall be made in the contract price of delivery schedule, or both. Any claim by Seller for adjustment under this clause shall be deemed waived unless asserted in writing within ten (10) days from receipt by Seller of the change. Price increases or extensions of time for delivery shall not be binding on Buyer unless evidenced by a Purchase Order Change Notice issued and signed by Buyer. Seller is expected to constantly work on possible improvements of Buyer's work on possible improvements of Buyer's merchandise according to the latest technical standards and knowledge and will notify Buyer of any possible improvements and technical changes. However, any changes whatsoever require Buyer's written consent.

14. Cancellation. Buyer reserves the right to cancel this purchase order prior to acceptance, as previously noted, or prior to the shipping date specified hereon by written or telegraphic notice, or verbal notice confirmed in writing, to Seller. The extent of compensation due Seller shall be negotiated between Buyer and Seller within 5 days after Buyer's notice on a fair basis, based on reasonable costs actually incurred in the performance of this contract, if change occurs after certain overhead costs of Seller have been irrevocably incurred and if cancellation occurs without cause; provided, however, that nothing shall diminish the right to Buyer to cancel and cover as set forth herein. Buyer may cancel without liability to Seller and exercise its cumulative remedies if Seller fails to comply with the terms herein; becomes insolvent, makes assignment for benefit of creditors, or is subject of a bankruptcy petition unbonDED or cured within 30 days; or merges with or is acquired by a third party. Upon Cancellation, Seller shall deliver work in process and completed material with assigned warranties requested and accepted by Buyer for which Buyer shall tender a prorated payment as noted above. Where Buyer cancels for convenience, Seller shall not be paid lost profits, incidentals, or consequential damages. Under no condition will the Buyer be liable for goods or materials used by the Seller to fulfill this Purchase Order beyond eight weeks demand from the date of written notice of order cancellation.

15. Indemnity. Seller warrants that the sale or use of its goods delivered under this order does not infringe any valid United States or foreign patent, trademark, copyright or trade secret owned or controlled by any other corporation, firm or person and agrees it shall defend, indemnify and save Buyer, its parents, affiliates, employees, directors, shareholders, and agents, successors and assignees harmless from and against any and all claims, demands, charges, liens, and liability, loss, costs, attorney fees, or expense of whatsoever character or nature, arising from or occasioned by any failure or alleged failure of Seller to comply with applicable laws arising from or related to any infringement of patent, copyright, trademark, trade or other intellectual property right of another or any other act or omission, negligent or otherwise, of Seller, its servants, employees, representatives, agents or subcontractors, in the furnishing of or sale of the goods, services or equipment in the performance hereof, provided that Seller be given timely opportunity as is afforded by applicable laws, rules or regulations to undertake defense of any action or litigation arising therefrom. If during the manufacture of any ordered parts, the Seller learns that any patent, copyright or trademark right will be violated, he shall notify Buyer without delay and without prior request.

16. Property Furnished to Seller or Buyer. Production equipment, tools, dies, prototypes, blue prints, gauges and similar items which Buyer supplies or are made by the Seller to Buyer's specifications may not without Buyer's written consent be sold to third parties, loaned, pawned, mortgaged or used for any other purpose than filling Buyer's orders. All tools and dies paid for in whole or part by the Buyer shall belong to the Buyer. Such property shall be held on consignment by the Seller and shall be plainly marked as property of the buyer and shall not be used for anything else other than the manufacture of parts for the Buyer. Upon completion of this order, or upon the written request of Buyer at any time Seller shall package, ship and deliver such property to Buyer, or otherwise dispose of such property according to Buyer's instructions. Seller shall be required to deliver any tools, dies and other production devices necessary to complete the outstanding order which are not property of the Buyer, and Buyer shall reimburse the Seller for the length of time Buyer is in possession of such items. Buyer shall have the right at all reasonable times, upon prior request, to enter Seller's premises to inspect any and all of Buyer's property and any property or goods manufactured, developed or created with the aid of any of Buyer's property. The cost of maintenance, service and replacement of production tools, dies, and equipment which are made to Buyer's specifications and which are paid for all in or in part by Buyer shall be the Seller's responsibility. No changes in such property may be made without Buyer's written consent. All such property, while in Seller's custody or control, will be held at Seller's risk and will be kept insured by Seller at Seller's expense in an amount equal to the replacement cost.

17. Assignment. Any assignment or transfer of rights or obligations by the Seller under this purchase order, including but not limited to subcontracting the furnishing of any completed or substantially completed article shall be null and void, without the prior written approval of Buyer.

18. Confidentiality. Without prior written consent of Buyer, Seller shall not disclose to anyone outside its employ the content of this purchase order except as required to perform Buyer's order.

19. Rights in Data and Advertising. Buyer retains ownership of all proprietary data disclosed to Seller by Buyers in connection with this purchase order. Seller shall not disclose proprietary data to others, except where, prior to disclosure to Seller by Buyer:

- Proprietary data is already known to the general public, or
- Seller had knowledge of proprietary data

For the purpose of this Paragraph, "proprietary data" means all design, engineering, and technical information (whether patentable or not), and other information concerning Buyer's trade secrets; such other information includes, but is not limited to secrets of manufacture contained in Buyer's manufacturing methods or processes, treatments and chemical composition, plant layout and tooling, to the extent that such other information is not disclosed by inspection or analysis of the goods covered by the purchase order.

Buyer's name and business connection with the Seller may be used in Seller's advertising only with the Buyer's written permission.

20. Inspection. Buyer and/or buyer's customer reserves the right to perform verification at the supplier's premises that subcontracted products conform to specified requirements.

21. Insurance. Seller shall procure and maintain insurance, at its sole cost, in the amounts and coverages reasonably required by Buyer.

22. Notices. Unless otherwise agreed to in writing, notices shall be hand delivered or sent via registered return receipt mail at such addresses as designated by the parties.