



General Purchasing Conditions

For purposes of this agreement, "Interplex" or "Buyer" includes Interplex Industries Inc and its subsidiaries and affiliates; "Seller" includes Seller, its subsidiaries, affiliates, and Seller's Suppliers.

1. Service & Deliverables
2. Pricing and Payment
3. Quality
4. On-Time Delivery ("OTD")
5. Inventory and Safety Stock
6. Cancellation of Purchase Orders
7. Warranties and Liability for Defective Items
8. Confidentiality
9. Documentation Required for Customs Compliance

1.0 Services & Deliverables:

Seller agrees to perform the services ("Services") and/or provide the goods (collectively referred to as "Goods"), described in any Interplex purchase order (a "PO"), in accordance with the conditions set forth in the PO, any specifications and drawings, and with these General Purchasing Conditions ("Agreement"). Upon acceptance of a PO, or shipment of Goods or commencement of a Service, Seller shall be deemed to have accepted all of the provisions of this Agreement. For purposes of this Agreement, "Goods" shall mean the products of Seller shown on the face of a PO, and all raw materials, components, tooling, equipment and supplies to be delivered by, and all services to be provided by Seller under the PO.

2.0 Pricing and Payment:

Price protection: If Interplex finds, and notifies Seller, in writing, that another producer of similar Goods or Services has offered to sell such Goods or provide such Services to Interplex, in similar quantities and terms, at a price in excess of 10% lower than the price specified in the PO, then unless the Seller notifies Interplex within 10 business days thereafter that it will forthwith reduce its price to such lower amount, Interplex can immediately cancel its PO or POs without penalty as described in Section 6.

Interplex shall only be bound to pay for Goods and Services ordered and accepted in accordance with these General Purchasing Conditions. Unless otherwise specified in the PO, payment shall be made within 90 days net, following delivery as specified in the PO, and receipt of a proper and verifiable invoice from Seller.

3.0 Quality:

Seller must at all times maintain a quality level consistent with Interplex program requirements for all Goods and Services covered by this Agreement.

Seller must at all times maintain a quality improvement plan satisfactory to and approved by Interplex, and subject to review and revision by Interplex.



Seller agrees to comply with ISO, TS, and any other industry specific standards required for the Goods and Services, as well as specific needs defined in Interplex' Customer's General Quality Agreements. Interplex will communicate such standards and needs to Seller.

Seller also agrees to comply with Interplex' PROCESS CHANGE Notification procedures as published on Interplex' web site (www.interplex.com).

Specification exceptions by Seller must be documented, provided at time of quotation, and agreed to in writing by both parties.

Interplex shall have the right, on reasonable prior notice, to enter Seller's premises for purposes of conducting an inspection or quality review.

4.0 On-Time Delivery ("OTD"):

Goods are late if they arrive at the Interplex plant location after the delivery date, or in lesser quantity, as specified on the PO or release notification. Either 100% or 0% OTD is required for each individual lot shipment (i.e. no partial credit will be given for partial shipments).

Seller is required to maintain a 100% on-time delivery performance. In the event of Seller's failure to do so, Interplex shall have the right to require Seller to prepare and submit to Interplex for approval an OTD improvement plan.

In the event of late deliveries caused for any reason, the Seller agrees to comply with the CONTAINMENT procedure set forth on the Interplex web site.

If Seller's deliveries fail to meet Interplex' delivery schedule, Interplex, in addition to its other rights, (i) may direct expedited routing and charge Seller for any excess costs incurred as a result and (ii) may charge Seller for any costs incurred by Interplex and Interplex' customers for production delays caused by Seller's failure to meet such schedules.

Interplex shall have the right to obtain credit for, or replacement of, late or defective Goods or Services.

If Seller consistently fails to meet performance metrics for quality and OTD, then Interplex can cancel its PO or POs without penalty.

All international shipments by Seller shall be in accordance with Incoterms 2000 Delivered Duty Paid ("DDP") or Delivered Duty Unpaid ("DDU") if so specified in the PO by Interplex.

5.0 Inventory and Safety Stock:

Raw material or sub-component purchase quantities, and inventory held, are made at the Seller's discretion in order to fulfill their price quotation, open orders, and on-time delivery commitments. Interplex' sole liability for raw material or sub-component purchases is described in Section 6: Cancellation of Purchase Orders.

In order to capture unexpected demand, and/or fulfill OTD performance due to Seller's unexpected issues, if Seller is not performing at 100% OTD, then in addition to the remedies described in Section 4.0 above, Interplex shall have the right to require Seller to maintain one month of safety stock at Seller's expense.

6.0 Cancellation of POs:

Interplex may at any time change or cancel all or any portion of any PO or release notification issued under this Agreement.

In such event, Interplex shall have no liability to Seller if the notice of cancellation is delivered before the lead time for the affected item as defined in Seller's quotation.

If however, Interplex' notice of cancellation is delivered within such lead time, Interplex's liability to Seller shall be limited to:

- (a) Seller's purchase price for material and/or those sub-components purchased by Seller to fulfill the canceled portion of Interplex's order that are not otherwise usable in Seller's other operations, saleable to Seller's other customers, or are returnable to Seller's vendors; plus
- (b) the actual costs incurred by Seller in manufacturing the canceled portion of Interplex's order; less
- (c) any salvage or scrap material value.

However, no such cancellation charges will be charged if, within 180 days of notice of cancellation, any equivalent Goods or Services are ordered by Interplex. In any event, Seller shall use its best efforts to mitigate the damages, if any that it may incur as a result of Interplex's cancellation. If requested, Seller shall substantiate such costs and/or sub-component price with proof satisfactory to Interplex.

7.0 Warranties and Liability for Defective Items:

Seller warrants that the Goods and Services will be fit and sufficient for the purpose intended, will be of merchantable quality and free from all defects, including defects in material and workmanship, and will comply with all representations, descriptions, samples, drawings, plans, specifications, designs and other data furnished by Seller or listed in the PO. Interplex' review or approval or inspection, of any Goods, samples, drawings, specifications or other data will not limit Seller's responsibility under these warranties.

Seller will indemnify and hold Interplex, its officers, employees, agents, successors, assigns, customers and users of its products from and against any and all losses, expenses, damages claims, suits and liabilities arising as a result of actual or alleged breach of any warranties or other terms contained herein.

8.0 Confidentiality:

Seller shall keep secret all information received from Interplex, including, without limitation, irrespective whether in paper, electronic or other form, all confidentially marked or not generally known information, know-how, records and correspondence, including but not limited to all technical,

know-how or other expertise and intellectual property rights, as well as all formulas, designs, specifications, drawings, data, manuals and instructions, accounting records, business plans, policies, studies, forecasts, tax records, customer lists, sales information, orders, enquiries, and computer software. Seller may not make such information available to third parties (including any suppliers of Seller) without the written consent of Interplex, and may not use such information for any purposes other than as determined by Interplex.

9.0 Documentation Required for Customs Compliance:

Seller shall provide any documentation reasonably required for international customs compliance. Seller shall notify Interplex in writing prior to making any pricing or sourcing changes that might result in the Goods becoming ineligible for preferential duty treatment under NAFTA in the USA, or affecting international customs compliance.

Interplex Standard Sales Terms & Conditions

1. VALIDITY OF PROPOSAL

This proposal by Interplex _____ ("Seller") is not an offer to sell, but rather an invitation for offers to buy ("Orders"). All Orders received from a recipient of a proposal ("Buyer") are subject to written acceptance by Seller. This proposal, together with any documents incorporated therein shall constitute the entire agreement and may not be changed except by writing signed by both Buyer and Seller. Acceptance by Seller of Buyer's Order is expressly limited to the terms and conditions herein stated; any additional, inconsistent or different terms or conditions contained by Buyer's purchase order or other documents supplied by Buyer are expressly rejected.

2. SHIPMENT, TITLE, RISK OF LOSS

All prices quoted are F.O.B. Seller's facility as specified in the Proposal, freight, collect, unless otherwise specifically agreed to in writing. Title to and risk of loss for products shipped pursuant to this proposal will pass to the Buyer when delivered to a common carrier at Seller's facility.

3. CANCELLATION

If for any reason cancellation should be necessary, Seller's charges will be based on the cost of material ordered or on hand and on the amount of other work performed, plus profit.

4. QUOTATIONS AND PRICES

This quotation automatically expires 60 days from date hereof unless previously terminated by Seller's written notice. Prices are based on manufacturing the complete order at one time, unless specifically agreed to in writing. Deliveries scheduled more than 60 days from the date hereof are subject to the provision of those terms and conditions captioned "Escalation."

5. QUANTITIES

All quotations are based on Buyer accepting over-run or under-run on each individual item not exceeding 10% of quantities ordered. Where a closer control of quantity is required, specific written arrangements between Buyer and Seller must be made.

6. PACKAGING

Packaging will be in accord with Seller's standard practice (bulk), sufficient to assure safe arrival unless otherwise requested on inquiry or blueprint and accepted by the Seller.

7. TOOLING

If Seller is to furnish and use tooling in the manufacture of goods for the Buyer, the following shall apply to that tooling, unless otherwise agreed to in writing by Seller and Buyer.

- Tools will be retained by Seller for Buyer's exclusive use without storage charge.
- Seller reserves the right to discontinue the use of tools as obsolete when in Seller's opinion they are worn out or have not been used for two years. Buyer will be given thirty days written notice of Seller's intention to dispose of tools in accordance with Buyer's Instructions. If such instructions are not received by Seller from Buyer within such thirty day period, Seller may dispose of such obsolete tools without liability or further obligation to Buyer.
- Seller reserves the right to add a 30% charge to total tooling costs on tools released to Buyer, which charge Buyer will promptly pay Seller.
- Seller shall have a lien upon and right of possession to all the Buyer's permanent tools for any payments due the Seller by the Buyer, including in the event of default, all costs of collection together with reasonable attorney's fees.
- Unless otherwise specified, Seller will not carry insurance of any type on Buyer's tools, fixtures, etc. Seller shall be held harmless for any injury or damage to such materials which occurs through no fault of the Seller.
- All processes and manufacturing techniques, developed, created, and utilized by Seller for the production of any such tooling or the manufacturing processes for the Product shall belong to Seller.

8. MINIMUM BILLING

Orders amounting to less than \$ _____ net will be billed at \$ _____.

9. TAXES

Any Manufacturer's Taxes, Retailer's Occupation Tax, Use Tax, Sales Tax, Excise Tax, Duty, Custom, inspection or Testing Fees, or other tax, fee or charge of any nature whatsoever, imposed by a government authority on or measured by any transactions between Seller and Buyer, shall be paid by Buyer in addition to the prices quoted or invoices. In the event Seller shall be required to pay any such tax, fee or charge, Buyer shall reimburse Seller therefore. Buyer's orders must state the existence and amount of any such tax, fee or charge which it shall be the Seller's responsibility to collect from Buyer and pay; but Buyer's failure to state any such tax, fee or charge shall not excuse Buyer from paying or reimbursing Seller. In the event any Tax is charged to the Seller on tools retained by the Seller pursuant to Paragraph 7 of this Quotation, Seller will invoice Buyer and Buyer will reimburse Seller for the payment of such tax.

10. PAYMENT TERMS AND BUYER'S CREDIT

Payment terms are net 30 days after date of invoice unless otherwise agreed in writing. Those terms shall apply to partial as well as complete shipments of products. A FINANCE CHARGE OF 1.5% PER MONTH (18% ANNUAL RATE) WILL BE CHARGED ON ALL PAST DUE ACCOUNTS. Buyer will furnish reasonably adequate information on Buyer's credit standing within fifteen days after Seller's request thereof. If Buyer fails to furnish the requested credit information Seller may, at its option, ship the product C.O.D. or withhold shipment until such credit information is supplied. In the event the shipment is withheld until receipt of such information, the amounts due shall be subject to change in price in accordance with the provisions captioned "Escalation".

11. ESCALATION

Prices set forth herein are firm for a period of sixty days from the date hereof. Such pricing shall be adjusted upward to that in effect at the time of shipment if shipment is made more than sixty days from the date hereof in those circumstances where manufacture is delayed through no fault of Seller. Prices on Product manufactured and/or shipped more than sixty days from the date hereof will be adjusted upward in the event the Seller's cost of labour or material increases from those costs used in formulating prices herein set forth.

12. BACKCHARGES

All invoices shall be due and payable when submitted for payment in accordance with the provisions of those Terms and Conditions captioned "Payment Terms." No withholding of funds, back charges or credits against amounts otherwise due Seller will be permitted unless specifically agreed to in writing. Settlement of any amounts due to Buyer will be negotiated as separate items and not as offsets against amounts otherwise due to Seller from Buyer for Products sold hereunder.

13. DELIVERY

Should shipments be held beyond scheduled date for convenience of Buyer, goods will be billed and charges will be made for warehousing, trucking, and other expenses incident to such delay. Reasonable and sufficient care is taken by Seller in crating its goods. Seller cannot be held responsible for breakage after having received "in good order" receipts from the transportation carrier. All claims for loss and damage must be made by Buyer to the carrier, but Seller will assist insofar as practical in securing satisfactory adjustment of such claims.

Claims for shortages or other errors or any breach must be made in writing to Seller within 15 days after receipt of shipment, and failure to give such notice shall constitute unqualified acceptance of goods and a waiver of all claims by Buyer.

Seller is specifically authorized to send the goods to the Buyer. Method and route of shipment will be per Buyer's written instructions. If not specified, Seller will determine the most appropriate method and route. In such cases, the selection of method and route by Seller shall conclusively be deemed reasonable having regards to the nature of the goods and other circumstances of the case.

14. SHIPPING SCHEDULE

All quoted delivery schedules are approximate and are dependent upon prompt receipt from Buyer of all blueprints (4 copies) and other information necessary for the design and manufacture by Seller. When requested by Buyer, sample parts manufactured with new tooling will be furnished by Seller. Within a reasonable time, not to exceed 7 days, after receipt and inspection of sample parts. Buyer will either a) approve sample parts, or b) state in writing necessary modifications to tooling. If sample part is approved, Seller will commence manufacturing as scheduled; if modification of tooling is required, Seller will modify tooling and resubmit sample parts. Thereafter, Seller and Buyer will follow sample procedure as described in this Paragraph 14 and the delivery schedule originally quoted by Seller will then be modified accordingly. No work will proceed after Seller or Buyer requests deviations from specifications until Buyer sends written approval.

15. COMPLETION - DELAYS

Every reasonable effort shall be made by Seller to fulfill the order within the time estimated; no liability shall be incurred by Seller for delayed performance or delivery.

If the Buyer requests that the goods be manufactured and shipped on the date (or dates), earlier than originally agreed to by Seller and Buyer, and the Seller agrees to the earlier date (or dates), any increase in cost of performance incurred by the Seller resulting from earlier manufacture and shipment will be included in an adjustment of the purchase price to be made by the Seller and will be paid by the Buyer.

Seller shall not be liable for any damages as a result of any delay due to any cause beyond Seller's control, including, without limitation, any Act of God, act of Buyer, embargo or other governmental act, regulation or request, fire, accident, strike, slow down, war, riot, flood, delay in transportation and inability to obtain necessary labor, material or manufacturing facility. In the event of such delay, the date of delivery shall be extended for a period equal to the time lost by reason of the delay. The acceptance of goods when delivered shall constitute a waiver of claims for damages caused by any delay within Seller's control.

16. RETURN OR REWORK OF GOODS

Claims by the Buyer must be submitted within 30 days of receipt of shipment. No goods or parts therefore may be returned by Buyer without first obtaining Seller's written permission and a Customer Discrepancy Material number. Parts must be returned within 15 days after permission is received. Buyer may elect to rework goods rather than return to Seller, and if Seller agrees, Seller will reimburse Buyer for such rework. Seller's agreement to Buyer's rework must be in writing and, in no event, can exceed the Buyer's estimated rework charge. Under no circumstances will Seller's liability be in excess of the value of the Product sold to Buyer.

17. PATENT INDEMNITY. (Patent Indemnify by Buyer to Seller)

To the extent that Products delivered hereunder are manufactured pursuant to designs furnished by Buyer, Buyer agrees to indemnify Seller and hold Seller harmless from all legal expenses which may be incurred, as well as all damages and costs, which may finally be assessed against Seller in any action for infringement of any Patent. Seller agrees promptly to inform the Buyer of any claim for liability made against Seller with respect to such Products, and Seller agrees to co-operate with the Buyer in every way reasonably available to facilitate the defense against any such claim.

18. SUBSTITUTION

In the event that any raw material specified for incorporation into the Product covered by this Proposal shall become unavailable, Seller shall notify Buyer and Buyer may direct Seller in writing to substitute available material for that originally specified, it being understood and agreed that Buyer shall assume any and all consequences resulting from such substitution.

19. ASSIGNMENT

Buyer shall not assign or transfer any rights or obligations arising from any contract resulting from this Proposal or monies payable there under, without the prior written consent of Seller and any such assignment or transfer made without written consent shall be null and void.

20. GOVERNING LAW

The validity, interpretation, and performance of these Terms and Conditions, as well as any contract which may result between the parties, shall be governed by the laws of _____.

21. WARRANTY AND LIMITATION OF LIABILITY

For products supplied without prior approval of a sample by Buyer, Seller warrants components manufactured or supplied by it to be free from defects in material and workmanship when shipped from Seller's facility. If parts shall be proved to Seller's satisfaction to be defective, such parts shall, at Seller's sole option be repaired or replaced.

This warranty shall not apply:

- To components supplied by Buyer;
- To goods or parts and components thereof which have been subjected to negligence, accident or damage by circumstances beyond the control of Seller and, in particular, to damage incurred as a result of prolonged or improper storage by the Buyer.
- For products supplied after prior approval of a sample by Buyer, Seller warrants that all parts supplied will be substantially identical to such samples. The warranty on sampled parts is subject to the same restrictions as that set forth above with respect to non-sample products.

THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER EXPRESSED AND IMPLIED WARRANTIES WHATSOEVER, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. SELLER SHALL NOT BE SUBJECT TO ANY OTHER OBLIGATIONS OR LIABILITIES WHATSOEVER WITH RESPECT TO PARTS MANUFACTURED OR SUPPLIED BY SELLER OR SERVICES RENDERED BY IT.

ANYTHING HEREIN TO THE CONTRARY NOTWITHSTANDING, SELLER SHALL NOT BE LIABLE FOR INCIDENTAL AND CONSEQUENTIAL DAMAGES, AND, IN SUBSTITUTION FOR ALL REMEDIES WHICH BUYER MAY HAVE UNDER ANY APPLICABLE LAW, BUYER'S SOLE AND EXCLUSIVE REMEDY AGAINST SELLER FOR ANY BREACH OF WARRANTY OR ANY OTHER BREACH RELATING TO GOODS DELIVERED PURSUANT HERETO SHALL BE FOR REPAIR OR REPLACEMENT (AT SELLER'S OPTION) OF THE GOODS OR PARTS EFFECTED BY SUCH BREACH.