

GLOBAL PURCHASING TERMS AND CONDITIONS

1. ACCEPTANCE AND MODIFICATION OF AGREEMENT

This Purchase Order becomes a binding contract, subject to the terms hereof, when accepted by delivery of acknowledgment to Peterson American Corporation or any of its subsidiaries or affiliates (the "Purchaser") or by delivery of materials in whole or in part. Any acknowledgement form or other form of Seller containing terms and conditions of sales shall not have the effect of adding to, modifying or deleting the terms and conditions hereof. Failure to sign or acknowledge the Purchase Order will not invalidate any terms or conditions contained herein. Any addition to modification of or deletion from this Purchase Order to be valid must be in writing and signed by Purchaser's authorized representative. It is the specific intent of the Purchaser that the only contract with the Seller is the terms of this Purchase Order, unless so modified in writing. These terms and conditions constitute the parties' contractual agreement and supersede any previous oral or written representations, including but not limited to provisions in Seller's quotations, proposals, terms and conditions, acknowledgments, invoices or other documents.

2. DELIVERY

Time of delivery is and shall remain the essence of this Purchase Order. Delivery must be effected within the time specified in the Purchase Order. Default in delivery caused by acts of God or other extraordinary events or occurrences beyond Seller's control and without its fault and negligence shall not make Seller liable therefor, provided Seller immediately notifies Purchaser of said event and the estimated delay in delivery. Purchaser shall have the right to cancel all or any portion of this Purchase Order which has not been delivered on time. Acceptance by Purchaser of a later delivery of either a whole or a part of Purchase Order shall not constitute a waiver of its claim for damage caused it by the late delivery nor its rights to cancel the remaining portion of the Purchase Order. If deliveries are behind schedule, Purchaser may request Seller to ship by express. In such event, such deliveries shall be made by express and Seller shall pay the difference between the regular freight and express rate. The risk of loss or damage in transit shall be upon the Seller. Seller will be liable for any line down charges or related expenditures spent by Purchaser or charged to Purchaser by its customers which were caused by the failure to deliver products timely.

3. SHIPPING AND PACKING

All items ordered shall be suitably packed and marked for shipping. Purchaser shall not be charged for any packing, marking or boxing not separately itemized hereon. Seller shall be liable to Purchaser for any loss or damage resulting from Seller's failure to provide adequate protection during shipment. Purchaser and Seller shall assist each other, including the procuring of any documents of information, in filing and/or prosecuting any claims against carriers or others arising out of any such shipment. For items shipped to European destinations, bills of lading and advice notes must accompany each material shipment.

For each shipment, Seller will comply with the customs or NAFTA related obligations, origin marking or labeling requirements, invoicing and documentation requirements of the destination country, and local content origin requirements. Export licenses or authorizations necessary for the export of items are Seller's responsibility unless otherwise indicated in a Purchase Order, in which case Seller will provide the information necessary to enable Buyer to obtain the licenses or authorizations. Seller will promptly notify Buyer in writing of any material or components used by Seller in filling a Purchase Order that Seller purchases in a country other than the country in which the Supplies are delivered. If Supplies are manufactured in a country other than the country in which Supplies are delivered, Seller will mark Supplies "Made in (country of origin)." Seller will provide to Buyer and the appropriate governmental agency the documentation necessary to determine the admissibility and the effect of entry of Supplies into the country in which Supplies are delivered. Seller warrants that any information that is supplied to Buyer about the import or export of Supplies is true and that all sales covered by a Purchase Order will be made at not less than fair value under the anti-dumping laws of the countries to which the supplies are exported. Seller will include a priced invoice (if required) with the master packing slip and upon request will furnish all other documentation required for export from Seller's country or import into Buyer's country. Any and all benefits or credits resulting from a Purchase Order with Buyer, including but not limited to trade credits, export credits, customs drawbacks, rebate of taxes, fees, etc. will belong to Buyer (unless otherwise stated on a Purchase Order or a country's practice is to let credits remain with Seller). Seller upon request will furnish all documents required to obtain the foregoing benefits and credits and will identify the country of origin of the materials used in the Supplies and the value added thereto in each

country. Additional customs information is available upon request from Buyer's customs department in the destination country.

4. INVOICING

Invoices (except dating) are paid less cash discount of the face hereof. The total price specified in a Purchase Order will include any and all freight, duty and tax, with the exception of any value-added tax ("VAT") imposed on the transaction by countries or tax authorities outside of the U.S., which, if applicable, must be identified and listed separately on Seller's quote and invoice. Date for calculation of cash discounts shall be (i) date material is received, (ii) date Purchase Order scheduled delivery or (iii) date a proper invoice is received, whichever is later.

Unless a Purchase Order specifically states otherwise, all payments shall be made in the local currency of the Seller's manufacturing location for the Supplies or in the case of services, in the local currency of Buyer's location that receives the services.

5. OVERSHIPMENT

Materials shipped on this Purchase Order must not be in excess of quantity authorized by Purchaser in writing. Overshipments may be returned at Seller's expense.

6. WARRANTIES

For the term of the Warranty Period, Seller warrants that all goods supplied hereunder shall:

- a) be free and clear of all liens, encumbrances, and any actual patent, copyright or trademark infringement;
- b) be free from any defects in design, material or workmanship and of good and merchantable quality;
- c) conform to Purchaser's drawings, specifications, and industry standards, if any, whether set forth herein or in any documents attached to or referred to herein, and to any sample approved by Purchaser;
- d) be fit and safe for all purposes for which the same are purchased hereunder, and of which Seller shall have been informed by Purchaser of which Seller shall be otherwise aware; and
- e) comply and have been produced, processed and delivered in conformity with all applicable foreign, federal, state, local or other laws, administrative regulations and orders, including but not limited to any law or order pertaining to discrimination including any regulations in force in countries where the items or products equipped with the items are to be sold.

These warranties shall be in addition to all other warranties, express, implied or statutory. The foregoing warranties shall survive inspection, test, delivery, acceptance, use and payment. Purchaser shall have the right to return all defective items to Seller at Seller's expense for repair, replacement or refund at Purchaser's option. Also, Purchaser shall have the right to collect line stoppage fees, product isolation costs, sorting costs, expedited freight and other costs, including but not limited to any costs charged to Purchaser by its customer, associated with the shipment of defective parts in addition to the other remedies permitted by law. These warranties may not be limited or disclaimed by Seller. Purchaser's approval of Seller's design, material, process, drawing, specifications or the like shall not be construed to relieve Seller of the warranties set forth herein.

As used herein, "Warranty Period" shall mean the longer of the following time periods: (a) three (3) years from the day of first use of the goods by Purchaser or acceptance by Purchaser, whichever occurs later; or (b) if the goods are incorporated, in whole or in part, into goods sold by Purchaser to third parties, the time period of warranty that Purchaser gives to such third parties. Notwithstanding the foregoing, Seller agrees to waive the expiration of the Warranty Period in the event there are failures or defects discovered after the Warranty Period of a significant nature or in a significant portion of the goods.

7. PROPRIETARY INFORMATION

All specifications, drawings, designs, know-how, trade secrets, customer lists, sales information, technical data, inventions, or other proprietary information which are disclosed by Purchaser to Seller, or which are developed

by Purchaser or Seller in connection with the subject matter of this contract shall be the sole and exclusive property of Purchaser and Seller agrees to retain all such proprietary information in confidence and not to disclose it to other parties. Seller agrees to disclose promptly to Purchaser any proprietary information developed in connection with the subject matter of this contract and to transfer all right, title and interest in and to such proprietary information to Purchaser, including any applications for Letters Patent or other registrations thereon prepared at Purchaser's expense.

8. MATERIAL FURNISHED BY PURCHASER

Any material, tools and equipment ("Tools") furnished by Purchaser on other than a charge basis in connection with this Purchase Order shall be deemed to be bailed to Seller for mutual benefit and title thereto shall at all time remain with Purchaser. Seller shall be responsible for any loss or damage thereto and shall keep all materials, tools and equipment in which Purchaser has an interest insured against risk of loss or damage, for their value at Seller's expense while they are in Seller's possession. Upon expiration of the Purchase Order, or earlier termination as provided herein, any remaining material, tools and equipment shall be immediately returned DDP (Incoterms 2000) to Purchaser's facility to the extent such delivery is to be made outside the United States and F.O.B. destination to the extent such delivery is to be made within the United States, properly packed upon receipt of Purchaser's written directions. Any such property (a) shall at all times be properly stored and maintained by Seller, (b) shall not be used by Seller for any purpose other than the performance of this agreement, (c) shall be deemed to be personal property, (d) shall be conspicuously identified as property of Purchaser, (e) shall not be commingled with the property of Seller or with that of a third party, and (f) shall not be moved from Seller's premises without Purchaser's prior written approval. Unless otherwise agreed to in writing by Purchaser, Seller at its own expense shall keep the Tools in good condition and repair, including repair necessitated by wear and tear and other usage by Seller. In the event that it becomes necessary, as determined by either Purchaser or Seller, to replace the Tools due to normal use by the Seller, or otherwise, said replacement tools shall be at the sole expense of the Seller and said replacement tools shall remain the property of the Purchaser. Purchaser does not guarantee the accuracy of any Tools or the availability or suitability of any supplies or material furnished by it. Seller assumes sole responsibility for inspecting, testing and approving all Tools or other materials supplied by Purchaser prior to any use by Seller. Seller shall assume all risk of death or injury to persons or damage to property arising from use of the Tools or other materials supplied by Purchaser and hereby agrees to indemnify Purchaser against the same.

9. PRICE

The goods will be delivered at the price set forth on the attached. Unless otherwise stated on the attached, all prices shall be DDP (Incoterms 2000) to the extent delivery is to be made outside of the United States and F.O.B. destination to the extent delivery is to be made within the United States. Title to the goods shall remain with the Seller until Purchaser actually receives the goods. If the price is omitted it is agreed that Seller's price will be Seller's lowest prevailing price provided such price is not higher than previously quoted to or charged Purchaser. If the price is to be higher, Seller must first obtain Purchaser's written agreement to the higher price. Seller warrants that the price for all goods is no less favorable than those currently extended to any other customer for the same or similar goods in similar quantities. Seller warrants that the prices shall be complete and no additional charges of any type shall be added without Purchaser's express written consent, including but not limited to, shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing and crating.

10. INDEMNITY, INSURANCE

To the fullest extent permitted by law, Seller agrees to indemnify, save harmless and defend Purchaser, its subsidiaries, affiliated companies and its customers, their directors, officers, employees and agents against all damages, claims, suits at law or in equity, demands or losses of any kind arising out of, or alleged to have arisen out of, or in connection with Seller's performance or lack of performance, including without limitation, breach of contract, breach of warranty or product liability. This obligation shall include the costs arising out of or in connection with Purchaser's voluntary or involuntary recall, recovery or withdrawal of products in compliance with any foreign, Federal, State or local laws, orders or regulations. Seller agrees to comply with Purchaser's insurance conditions as revised from time to time and submit evidence of such insurance. This insurance, at the present time, shall include but not be limited to: Comprehensive General Liability including contractual and product liability. The certificates must specifically mention that contractual and product liability is provided and must name Purchaser as an additional insured. Seller agrees to supply (if needed) automobile liability insurance including owned, non-owned and hired vehicles. At Purchaser's request, Seller shall furnish

certificates of insurance setting forth the amounts of coverage, policy number and dates of expiration for insurance maintained by Seller. Such certificates shall provide that Purchaser will receive (30) days prior written notification from the insurer of any termination or reduction in the amount or scope of coverages.

11. COMPLIANCE WITH LAW

Seller and the items delivered shall comply with applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country of destination or which relate to the manufacture, labeling, transportation, importation, licensing, approval or certification of the items, including those relating to environmental matters, wages, hours, and conditions of employment, subcontractor selection, discrimination, occupational health/safety, motor vehicle safety, NAFTA and any other similar trade agreements. A Purchase Order incorporates by reference all clauses required by these laws. At Buyer's request, Seller shall certify in writing its compliance and/or willingness to cooperate with any or all of the foregoing. Seller represents that any items purchased by Buyer under a Purchase Order will not be produced with forced labor either by Seller or Seller's items. Seller shall indemnify Buyer against any liability Buyer may incur if this representation is incorrect. Buyer requires strict compliance with this provision and has the right to immediately terminate a Purchase Order if there is a breach hereof.

For items shipped to European destinations Seller will notify Buyer of the 'Classification of Dangerous Goods' in conformity with the "European Agreement concerning the International Carriage of Dangerous Goods" prior to the first delivery of such items.

Seller will indemnify Buyer against and hold Buyer harmless from any liability, claims, demands, or expenses (including attorney's fees and other professional fees, settlements and judgments) relating to Seller's noncompliance with any of the foregoing clauses of this Section.

12. INVENTIONS

If this order involves developmental or research activities, including engineering or design services, all information developed in the course thereof shall be owned by Purchaser and be deemed confidential and proprietary property of Purchaser whether patented or not and Seller shall cooperate (and cause its employees to cooperate) in executing any documents and taking any other actions necessary or convenient to patent or otherwise perfect or protect for the benefit of Purchaser any inventions conceived, developed or reduced to practice in performance of the Purchase Order. If the Purchase Order does not involve developmental or research activities, but the goods covered by it are to be produced in accordance with drawings or specifications furnished by Purchaser, Seller hereby grants to Purchaser an irrevocable, non-exclusive and royalty-free license to make, have made, use and sell any improvement in the goods which is conceived, developed or reduced to practice by Seller in the production of the goods under this Purchase Order.

13. INFORMATION AND DATA.

Seller will furnish to Purchaser, or another party designated by Purchaser, without restrictions on use or disclosure, all information and data Seller acquires or develops in the course of Seller's activities under this agreement. At Purchaser's request, Seller also will discuss with Purchaser or another party designated by Purchaser, without restrictions on use or disclosure, any potential design, quality or manufacturing problems with goods Seller worked on or produced pursuant to this agreement. At Purchaser's request, Seller will furnish to Purchaser all other information and data of Seller which Purchaser deems necessary to understand the operation and to maintain the goods delivered under this agreement, and to understand and apply the information and data, with no restrictions on use other than Seller's patent rights.

14. PATENTS, TRADEMARKS AND TRADENAMES

Seller agrees to indemnify and save harmless the Purchaser, its officers, agents, successors, assigns and customers against all damages, claims, demands, attorney's fees and costs of any kind for actual or alleged infringement of any tradename, trademark, copyright and patent or patents (unless the goods ordered are of Purchaser's design) because of the manufacture, possession, sale or use of any material specified herein.

15. TERMINATION

Purchaser may terminate this Purchase Order in whole or in part for its sole convenience, without reason or cause, by written notice of termination whereupon Seller will terminate pursuant to the notice all work started

under the Purchase Order and shall forthwith cause all of its suppliers and subcontractors to cease work. Seller will promptly advise Purchaser of the quantities of applicable work and material on hand or purchased prior to termination and the most favorable disposition that Seller can make thereof.

Upon approval by Purchaser at its sole discretion, Seller shall be paid, absent any set-offs by Purchaser, a reasonable termination charge consisting solely of a percentage of the order price reflecting the percentage of the work performed prior to the notice of termination. Payment made under this clause will constitute Purchaser's only liability in the event this Purchase Order is terminated as proved herein. Seller shall not be paid for any work performed after receipt of the notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided. In no event shall Purchaser be liable for loss of profits or other cancellation charges. Seller's acceptance of such payment will constitute an acknowledgment that Purchaser has fully discharged such liability. The provisions of this clause will not apply to any termination by Purchaser for default by Seller or for any other cause allowed by law or under this Purchase Order.

16. TERMINATION FOR DEFAULT

Purchaser shall have the unrestricted right to terminate this Purchase Order upon the happening of any one or more of the following events: (i) Seller's insolvency or commission of an act of bankruptcy; (ii) filing a voluntary or involuntary petition of bankruptcy by or against Seller; (iii) appointment of a receiver for Seller by any court of competent jurisdiction; (iv) Seller's failure to make deliveries within the time specified by this Purchase Order; (v) delivery of goods that are defective or that do not conform to this agreement, (vi) Seller's failure to perform any other provisions of this Purchase Order; or (vii) failure upon request to provide Purchaser with reasonable assurances of future performance. The acceptance of goods or performance after the occurrence of any of the above enumerated events shall not affect the right of Purchaser to terminate under this paragraph or paragraph 14. In the event of termination pursuant to this Section, Purchaser shall not be liable to Seller for any amount, and Seller shall be liable to Purchaser for all damages, including attorneys fees and costs, sustained by reason of the default which gave rise to the termination.

17. GOVERNING LAW; DISPUTES

A Purchase Order shall be governed by the law of Buyer's principal place of business in the country where such Purchase Order was issued without regard to conflict of laws provisions thereof, and litigation on contractual causes arising from a Purchase Order shall be brought only in that jurisdiction. The UN Convention for the International Sale of Goods is expressly excluded.

18. CHANGES

Purchaser may at any time make changes in the drawings, specifications, samples, quantities, delivery schedules, shipments, or other description as to any article, material and work covered by this Purchase Order. In such an event, an equitable adjustment shall be made by mutual agreement, reduced to writing and executed by authorized representatives of both parties. Any claim by Seller for adjustment under this clause must be asserted in writing within 30 days from the date of receipt by the Seller of the notification of change.

19. WAIVERS

The failure of Purchaser to insist upon strict compliance with the terms of this Purchase Order, or to exercise any right hereunder, shall not be a waiver of Purchaser's right to insist upon strict compliance with the terms of the Purchase Order thereafter, or with respect to any future orders.

20. PERFORMANCE BY SELLER

This Purchase Order is issued to Seller in reliance upon Seller's personal performance of the duties imposed and by accepting same, Seller agrees not to assign this order or delegate or subcontract the performance of its duties without the prior written consent of Purchaser. Any such assignment or delegation attempted without the prior written consent of Purchaser shall effect, at the option of Purchaser, a cancellation of all Purchaser's obligations hereunder. In the event of such a cancellation pursuant to this Section, Purchaser shall not be liable to Seller for any amount, and Seller shall be liable to Purchaser for all damages, including attorneys fees and costs, sustained by reason of the default which gave rise to the cancellation.

21. WORK ON PURCHASER'S PREMISES

If any work under this Purchase Order is to be performed on Purchaser's premises, Seller agrees to defend, indemnify and hold harmless Purchaser from and against all claims, losses or damages due to injury or death to any persons, including Seller's, or any of its delegates or subcontractor's, agents, servants or employees, and damage to or the destruction of any property resulting from Seller's negligent acts or omissions incident to or arising out of such work. Seller shall maintain such insurance, as Purchaser deems necessary, as will protect Purchaser from said risks. For services performed on Buyer's premises in Canada, Seller must furnish, prior to payment, evidence of compliance with the Workplace Safety and Insurance Act, 1997 or other applicable workers' compensation legislation and compliance with all other applicable laws and regulations.

22. USE OF NAME, TRADENAME AND TRADEMARKS

Unless authorized by Purchaser in writing, the names of Purchaser, its parent, subsidiaries and/or any affiliated corporations or any of their trademarks shall not be used by Seller. If the material specified within this Purchase Order is peculiar to Purchaser's design, either as an assembly or component part of any assembly, or if the material bears Purchaser's Trademark and/or Identifying Mark, it shall not bear the Trademark or other designation of the maker or Seller and similar material peculiar to the Purchaser's design or bearing its Trademark or Identifying Mark shall not be sold or otherwise disposed of to anyone other than the Purchaser.

23. SET-OFF

In addition to any right of set-off provided by law, Purchaser shall be entitled at all times to set off any amount owing at any time from Seller to Purchaser or any of its affiliated companies against any amount payable to Seller at time by Purchaser in connection with this order.

24. REMEDIES; LIMITATION ON PURCHASER'S LIABILITY

Purchaser's rights and remedies shall be cumulative and in addition to any other rights or remedies provided by law or equity. Any attempt by Seller to limit Purchaser's warranties, remedies or the amount and types of damages that the Purchaser may seek shall be null and void. Purchaser's liability for a claim of any kind or for any loss or damage arising out of or in connection with or resulting from this agreement, or from any performance or breach, shall in no case exceed the price allocable to the goods or services or unit which directly gives rise to the claim. SELLER AGREES THAT IN NO EVENT SHALL PURCHASER BE LIABLE TO SELLER FOR ANY INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, SELLER'S LOSS OF PROFITS.

25. LABOR DISPUTES

Seller shall notify Purchaser of any actual or potential labor disputes delaying or threatening to delay timely performance of this agreement. Seller shall notify Purchaser in writing (6) months in advance of the expiration of any current labor contracts. At Purchaser's request, Seller shall deliver a supply of finished goods at least thirty (30) days prior to the expiration of any such labor contract, in quantities and for storage at sites designated by Purchaser.

26. INJUNCTIVE RELIEF; COSTS AND FEES

The parties acknowledge that irreparable injury will result from the failure of Seller to comply with the terms of this agreement. In the event of any actual or threatened default or breach of any provision of this agreement, Purchaser shall have the right to specific performances and/or injunctive relief, as well as monetary damages, including costs and attorney fees, and any other permitted relief.

27. TAXES

Unless prohibited by law, the Seller shall pay all foreign, federal, state or local tax, transportation tax, or other tax which is required to be imposed upon the goods or services ordered, or by reason of their sale or delivery. All order prices shall be deemed to have included such taxes.

28. SEVERABILITY

If any term of this agreement is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term shall be deemed reformed or deleted, but only to the extent necessary to

comply with such statute, regulation, ordinance, order or rule, and the remaining provisions of this agreement shall remain in full force and effect.

29. INTEGRATION

This agreement constitutes the entire understanding between the parties with respect to the subject matter of this agreement and supersedes any prior agreements, discussions, negotiations and understandings. The terms of this agreement can be varied, changed or modified only by a writing signed by an authorized agent of each party.