

Interplex Standard Terms & Conditions

1. VALIDITY OF PROPOSAL

The acceptance by any company which is a member of the Interplex Group ("Seller") of any order ("Order") is always subject to and governed by these Terms and Conditions and none other. Any additional, inconsistent or different terms and conditions contained in Buyer's purchase order or other documents supplied by Buyer are expressly rejected. All Orders received from a customer ("Buyer") are subject to written acceptance by Seller. Such acceptance, together with any documents incorporated therein expressly or by reference shall constitute the entire agreement between the parties and may not be changed except in writing signed by both Buyer and Seller.

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-ran 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.

- a) Tools will be retained by Seller for Buyer's exclusive use without storage charge.
- b) 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.
- c) 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.
- d) 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.
- e) 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.
- f) 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.
- g) Notwithstanding anything to the contrary contained herein or elsewhere, Buyer agrees and acknowledges that Seller shall always own and control all right, title and interest in and to any and all of Seller's ideas, designs, concepts, methods, trade secrets and other intellectual property as well as all of Seller's proprietary information with respect to any tooling sold by Seller including, without limitation, tooling for solder bearing leads, press fit pins and semi-conductor packaging products and materials.

8. MINIMUM BILLING

Minimum orders or billing may apply as referenced on the quotation and/or order acknowledgement.

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.

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 damage 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 thereunder, 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 the country and/or state of the Interplex company referencing these terms and conditions.

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:

- a) To components supplied by Buyer;
- b) 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.
- c) 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.

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, backcharges 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 30 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.

22. DISCLOSURE OF CONFIDENTIAL ENGINEERING INFORMATION

All information contained in any email and/or any engineering drawings or models, and/or any description of manufacturing processes, created by Interplex and submitted to the recipient thereof in connection with proposals for product manufacture, constitute Confidential and Proprietary Information owned directly by the Interplex Industries Group. Sharing this information with the recipient does not constitute a transfer of ownership or authorize disclosure by the recipient, or confer any Intellectual Property rights of any nature therein. Such information is intended only for evaluation purposes and should not be shared with any individual or entity not directly bound by a confidentiality agreement with the member of the Interplex Group submitting the same. If this information is not utilized by the recipient, other than in connection with a mutually agreeable business relationship with a member of the Interplex Group, then it must be returned to the sender immediately on demand, and not used for any other purpose.

23. INTERNATIONAL TRAFFIC IN ARMS REGULATIONS ("ITAR")

Buyer shall notify Seller in writing, to the extent any goods in an Order are believed to be "ITAR Defense Articles" (i.e., goods, including technical data, which are designated on the United States Munitions Control List, Part 121 of Title 22 Code of Federal Regulations, or which are articles specially designed or modified for a military purpose that may be designated on the United States Munitions Control List). Buyer shall be liable to Seller for any expenses, including penalties and legal fees, incurred by Seller which may result from Buyer's failure to notify Seller of any goods the subject of an Order which are ITAR Defense Articles, including any underlying technical data transmitted to Seller by Buyer in connection with such Order.

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. THESE TERMS AND CONDITIONS SUPERCEDE ANY OTHER TERMS AND CONDITIONS RELATING TO THE PURCHASE ORDER.