

STERLITECH CORPORATION  
PURCHASE ORDER TERMS AND CONDITIONS

**1. Terms and Orders.** These Purchase Order Terms and Conditions (the "**Terms**") are applicable to and incorporated by reference into any Purchase Order ("**Order**") between Supplier and Sterlitech Corporation ("**Sterlitech**"). Any Order issued by Sterlitech for goods or services becomes binding upon the first occurrence of any of the following: (i) when signed acknowledgement is received from Supplier; or (ii) when shipment according to schedule of all or any portion of the goods or provision of any of the services pursuant to the Order is made. Except as provided above, it is a condition of the Order that any provisions printed or otherwise contained in any acknowledgement hereof or in Supplier's invoice, inconsistent with or in addition to the Terms herein stated, and any alteration in the Order, shall have no force or effect, and that the Supplier hereby agrees that any such provisions therein or any such alterations in the Order shall not constitute any part of this agreement of purchase and sale.

**2. Inspection; Warranties.** Supplier shall be responsible for procuring all components, materials, equipment and other supplies, and providing all manufacturing, assembly, delivery and other services necessary to perform and fulfill this Order. Goods delivered, including without limitation all deliverables resulting from any of the services, (whether paid for or not) are subject to inspection, testing, and approval by Sterlitech before acceptance and payment by Sterlitech. Supplier warrants that all goods and services will conform in all respects to the applicable drawings, specifications, samples, requirements or other descriptions provided by Sterlitech therefor, and that the goods delivered hereunder will be: of good quality, material, and workmanship, and merchantable; of good design practice; free from defects in materials and/or workmanship; and free and clear of any and all claims, liens, and encumbrances whatsoever. Supplier also warrants that the services shall be performed in a professional manner, with high quality; and that it shall give priority to the performance of the services. All of Supplier's warranties set forth in this Order shall be enforceable by Sterlitech, Sterlitech's customers and any subsequent owner or operator of the goods purchased by Sterlitech. Any inspection or acceptance of such goods by Sterlitech shall not be deemed to alter, waive, extinguish or otherwise affect the obligation of Supplier or the rights of Sterlitech, its customers or subsequent owners or operators under these warranties. All specifications, drawings, samples, requirements, descriptions, other materials and plans referenced in this Order or related to the goods or services are incorporated into the Order by this reference. Claims for goods or services not complying with this warranty shall be accepted no later than 18 months from the date of delivery.

**3. Nonconforming Goods/Rejection.** Any goods which are damaged on arrival may be exchanged by Sterlitech. All goods not fully up to standard and not in compliance with the specifications hereof, or shipped contrary to instructions, or in excess of the quantities herein provided, or substituted for goods described, or not shipped in containers conforming to Sterlitech's specifications (or, in the absence of, such specifications, in recognized standard containers), or allegedly violating any statute, ordinance, or administrative order, rule, or regulation, may be rejected by Sterlitech and returned or held at Supplier's expense and risk. Sterlitech may charge to Supplier all expenses of inspecting, unpacking, examining, repacking, storing, and reshipping any goods rejected as aforesaid. If Sterlitech rejects any goods, Sterlitech shall then be relieved of any obligation related thereto, including without limitation, any obligation to pay therefor and, in such event, Supplier shall immediately return any amount previously paid by Sterlitech in prepayment of the sales price for such goods and related services, if any. Without limiting the foregoing, in the event Sterlitech rejects any goods, Sterlitech shall be entitled to require Supplier, at Supplier's expense, to provide other goods that comply with the terms of this Order, including (without limitation) specifications for such goods and the delivery schedule stated herein. Without limiting the foregoing, Sterlitech may elect to accept defective goods, subject to an equitable reduction in price.

If Supplier fails to deliver timely replacement of any goods, Sterlitech may replace them with goods from a third party and charge Supplier the cost thereof and terminate the applicable Order for cause.

**4. Pricing; Discounts.** Sterlitech reserves the right, as Supplier's expense, to return any goods specified in an Order if the price billed to Sterlitech is higher than the price specified in the Order without Sterlitech's prior written consent. If an Order is subject to a prompt pay discount, the discount period will be calculated from the later occurrence of any of the following: (i) the date Sterlitech receives the Order; or (ii) the date the goods are delivered.

**5. Payment.** Unless otherwise agreed by Sterlitech in the Order, Sterlitech will pay Supplier's correct and undisputed invoices for goods or services received and accepted by Sterlitech within 30 days of receipt by Sterlitech of such invoices. Invoices must state (a) the number of this Order, (b) the quantity of each ordered item shipped, and (c) description of each ordered item shipped. Sterlitech shall pay Supplier for any sales or use taxes directly imposed on the goods or services acquired by Sterlitech hereunder. However, Supplier must pay all other taxes including without limitation, taxes based on Supplier's income or gross receipts. Any such sales or use tax must be itemized separately on each invoice. Payment of Supplier's invoices subject to deduction by Sterlitech for any setoff or counterclaim arising out of this or any other of Sterlitech's Order(s) with Supplier. All fees, payments, expenses, and other sums due under and in accordance with any Order shall be paid in United States dollars.

**6. Delivery; Schedule.** Time shall be of the essence in connection with Supplier's performance of its obligations under this contract. The Order has a maximum late delivery date, after which Sterlitech may reject the shipment of goods or provision of the services. Supplier shall notify Sterlitech of any delay and the reasons therefor. In such event, Supplier shall, upon request by Sterlitech, avoid such delay (or such portion thereof as Sterlitech requires) by appropriate methods, including without limitation, incurring expenditures for overtime and expedited shipment by air or other means of expedited transport. Any costs incurred by Supplier to avoid such delay shall be borne by Supplier.

**7. Shipment.** Supplier shall preserve, package, handle, and pack all goods ordered by Sterlitech hereunder so as to protect such goods from loss or damage, in conformance with good commercial practice, government regulations and other applicable standards agreed to by the parties. If Supplier ships any goods by a method other than as specified in the corresponding Order, Supplier shall pay any resulting increase in the cost of freight. All shipment charges shall be FOB Supplier's facility, prepaid and add Sterlitech's destination. Supplier shall be responsible for all loss, damage or harm to any of the goods which are damaged during transit as a result of Supplier's inadequate or improper packing and stuffing, or failure to pack and ship in accordance with the terms of this Agreement. Risk of loss and title to the goods shall pass to Sterlitech upon acceptance by Sterlitech.

**8. Changes to Order.** Sterlitech may at any time, by written notice to Supplier, make changes within the general scope of an Order. If any such change causes an increase or decrease in the cost of or the time required for the performance of any part of the work or affects any other provisions of the Order, an equitable adjustment shall be made in the price or delivery schedule or both and in such other provisions of the applicable Order as may be affected, and the Order shall be modified in writing accordingly. Supplier shall provide a change notification per an approved Quality Agreement, preferably 6-12 months prior to the implementation of the change, when appropriate.

**9. Intellectual Property.** Supplier acknowledges and agrees that, except to the extent necessary for Supplier to provide the goods and perform the services under the corresponding Order, no grant or license (implied or otherwise) under any of Sterlitech's (or its licensors') intellectual property or other rights, including without limitation, patents, copyrights, trademarks, trade secrets, or know-how, is given or intended, under any Order. Supplier grants to Sterlitech a non-exclusive license under all intellectual property and proprietary rights contained in or used in the goods, to exercise and practice any and all such rights as may be necessary for the full use of the goods for any purpose. Such license shall be freely transferable in connection with the transfer of the goods. Supplier warrants that the goods and services provided under the Order shall not infringe or misappropriate any copyright, patent, trade secret, trademark or other rights of any third party.

**10. Compliance with Laws.** Supplier agrees that the goods purchased under this Order and performance of the services pursuant to this Order shall in all respects comply with all applicable laws, rules and regulations of any governmental authority. Supplier must comply with all applicable national or international export compliance laws and regulations. Export classification of goods should be communicated in writing to Sterlitech. Should the export compliance obligations not be met, Supplier will be bound to compensate for any damages, penalties or losses caused to Sterlitech and its customers arising from or in connection with its failure to meet its export compliance obligations. Sterlitech shall be entitled, without incurring any liability and/or penalty, to terminate an Order with immediate effect if Supplier becomes in any way sanctioned, restricted or prohibited by export compliance laws and regulations.

**11. Conflict Minerals.** Supplier must comply with the requirements of the Security and Exchange Commission's Conflict Minerals rule. Supplier should provide a declaration that goods supplied do not contain any Conflict Minerals. Sterlitech shall have the right to inspect the Conflict Mineral traceability documentation of Supplier related to Sterlitech's purchases.

**12. No Child Labor.** Supplier must not employ or use, directly or indirectly, any workers under the age of 15, or the age for completing compulsory education in Supplier's country, whichever age is older, in fulfilling any good or service under an Order.

**13. Indemnification.** Supplier will, at its expense, indemnify, defend and hold harmless Sterlitech from and against any claim, action, loss, liability, damages, costs and expenses (including without limitation attorneys' fees and settlement amounts) which Sterlitech may incur or suffer, arising from or related to: (a) any actual or alleged personal injury, death or property damages arising out of or incidental to the performance of this Order or the goods or services provided herein, or otherwise caused by Supplier, its employees, agents or contractors; (b) any actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark or other rights of any third party by the goods or services provided herein or Sterlitech's use thereof as permitted under this Agreement; or (c) any negligence or willful misconduct, whether by act or omission, of Supplier, its employees, agents or contractors. If the use of any goods or services provided herein, including without limitation, any intellectual property or other rights therein, becomes the subject of a suit or claim of infringement or misappropriation, or in Supplier's opinion is likely to become, enjoined, Supplier will, at its own expense and in the following order of priority: (y) procure for Sterlitech the right to continue using the goods or services, or (z) modify the goods or services to comply applicable drawings, specifications, samples, or other descriptions given and not to violate any intellectual property or other rights of any third party. In the event that Supplier cannot perform under the foregoing sentence, Supplier shall return to Sterlitech all amounts paid for the infringing goods and services and accept return of such goods and services.

**14. Confidential Information.** Upon Sterlitech's request, Supplier shall enter into a Non-Disclosure Agreement with Sterlitech and upon execution of the Agreement, all terms shall be deemed incorporated into these Terms. In the event of a conflict between this Section 14 and the Non-Disclosure Agreement, the terms of the Non-Disclosure Agreement shall prevail. Supplier shall hold in strict confidence, shall not use or disclose to any third party, and shall take all necessary precautions to secure any Confidential Information of Sterlitech. In accordance with this provision, Supplier shall maintain at least the same precautions as it takes in regard to its own confidential information. Supplier's disclosure of such information shall be restricted solely to employees, agents, consultants and representatives who have been advised of their obligation with respect to Confidential Information. The term "Confidential Information" shall mean all non-public information, whether in written, oral or in other tangible or non-tangible form, that Sterlitech designates as being confidential, or which, under the circumstances of disclosure ought to be treated as confidential. "Confidential Information" includes, without limitation, all drawings, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts, rebates or requirements and other descriptions of goods or services provided by Sterlitech, information relating to released or unreleased goods or services, marketing or promotion of any goods or services, business policies or practices, any other business, financial, or technical information of Sterlitech and any information received from others that Sterlitech is obligated to treat as confidential, disclosed by Sterlitech to Supplier, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated, or otherwise identified as "confidential." If Supplier has any questions as to what comprises such Confidential Information, Supplier shall consult with Sterlitech. Supplier may not disclose or copy any Confidential Information unless authorized in advance by Sterlitech in writing. Upon Sterlitech's request, Supplier shall promptly return all documents and other materials and/or information received from Sterlitech. Supplier acknowledges and agrees that any breach or threatened breach of this Section 14 shall cause irreparable harm for which there is no adequate remedy at law and that Sterlitech shall be entitled to immediate injunctive relief without posting a bond, in addition to any other remedy available under this Agreement, in law or equity.

**15. Insurance.** Supplier agrees to maintain adequate insurance to indemnify Sterlitech against any claim for loss, damage or injury to property or persons arising out of the performance under an Order or the use, misuse or failure of any good/service. Supplier shall provide copy of the insurance policy upon request of Sterlitech. Upon request, Supplier shall deliver to Sterlitech proof of such insurance coverage.

**16. Limitation of Damages.** IN NO EVENT SHALL STERLITECH BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL, LIQUIDATED OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION ANY ANTICIPATED OR LOST PROFITS, LOST GOODWILL, OR LOST BUSINESS, ARISING UNDER OR AS A RESULT OF THIS AGREEMENT, EVEN IF STERLITECH HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Sterlitech's maximum liability to Supplier shall be the aggregate amount actually paid or payable under the applicable Order. Any action resulting from any alleged breach by Sterlitech as to the goods delivered under the applicable Order must be commenced within one year after the cause of action has accrued.

**17. Termination for Default.** Sterlitech has the right to immediately cancel and terminate the Order without cost or liability to Sterlitech if Supplier breaches the Order, including any of these Terms, if Supplier is otherwise unable to meet its obligations as they become due, or if, in Sterlitech's reasonable judgment, a force majeure event has occurred affecting the performance of either party hereunder. The acceptance of goods or performance after Supplier's breach shall not affect the right of Sterlitech to cancel its additional obligations.

**18. Termination for Convenience.** Sterlitech has the right to terminate the Order, in whole or in part, at any time for its convenience, without penalty by sending notice to Supplier in writing. On receipt, Supplier should submit any termination claim without 60 days. Sterlitech agrees to pay only the value of any goods delivered, ready to be delivered, or services provided under the applicable Order. Sterlitech shall have the right to audit all elements of any termination claim made by Supplier and Supplier shall make available to Sterlitech, on request, all books, records and papers relating thereto.

**19. No Assignment.** Supplier may not assign or transfer this Agreement or any of its rights hereunder, or delegate any of its duties hereunder, without the prior written consent of Sterlitech. Any attempted assignment, transfer, or delegation in contravention hereof shall be null and void. This Agreement shall inure to the benefit of and be binding on the parties hereto and their permitted successors and assigns.

**20. No Waiver.** The failure to enforce any provision of this Agreement will not be construed as a waiver of such provision of the right to later enforce it. If any provision is held invalid by a court of competent jurisdiction, the holding shall not affect the validity of any other provisions.

**21. Severability.** If a court or arbitrator rules that any part of this agreement does not comply with applicable law, then that part shall be reformed if possible so that it does comply both with the law and the intent of the parties, and shall be enforced as reformed. To the extent that any part cannot be reformed and is held to be invalid or unenforceable, then the remaining parts of this agreement shall remain in effect.

**22. Governing Law.** This Agreement will be governed by the laws of the state of Washington without regard to conflicts of laws and excluding the 1980 U.N. Convention on Contracts for International Sale of Goods. Supplier consents to jurisdiction and venue in the state and federal courts sitting in King County, Washington, which shall have exclusive jurisdiction to hear any lawsuit or other legal action brought to enforce this Agreement, or otherwise related to this Agreement. In any such lawsuit or other legal action, the prevailing party shall be entitled to all of its costs incurred in prosecuting or defending the lawsuit, including but not limited to its reasonable attorney's fees.

**23. Entire Agreement.** This Agreement constitutes the entire Agreement between the parties. No modification, amendment or supplement of this agreement shall be binding upon the parties except by their mutual written agreement. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions remain in full force and effect.

**24. Remedies.** Except as otherwise provided for herein, no remedy conferred by any of the specific provisions of the Agreement or available to a party is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder, now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies by either party shall not constitute a waiver of the right to pursue other available remedies

**25. Survival Upon Termination.** Sections 2, 3, 9, 10, 11, 12, 13, 14, 15 and 16 shall survive the performance, completion or termination of this Order for any reason, together with any other provisions of this Order that, by their sense and context, are intended to so survive.