Standard Conditions of Purchase

ADDITIONAL 1

1. TERMS AND CONDITIONS & ACCURACY: The terms and conditions of these Standard Conditions of Purchase and the agreement to which this is attached shall be deemed incorporated into all purchase orders which SI Group may place with Seller. Seller (whether by mail, facsimile or electronic data exchange) shall notify, in writing, any change or modification to these Standard Conditions of Purchase. Any attempted acknowledgement of a purchase order or other documents containing terms and conditions inconsistent with or in addition to these Standard Conditions of Purchase is not binding upon SI Group. SI Group hereby objects to any such additional or inconsistent terms. Any modification of these Standard Conditions of Purchase must be in writing and signed by an officer of SI Group.

2. TAXES: Seller will be liable for all taxes, excises and other governmental charges that are enacted or become effective after the date of the agreement to which this is attached and required to be paid or collected by Seller under any law applicable to the production, processing, transportation, storage or delivery of any Product or all Product hereunder.

3. TRANSPORTATION & DELIVERY: TIME IS OF THE ESSENCE: SI Group reserves the right to refuse delivery if made in advance of the delivery schedule, and Seller shall be responsible for all charges in connection therewith. If SI Group agrees to accept deliveries after the date of delivery has passed, SI Group shall have the right to direct Seller to make shipment to the delivery point set forth in the purchase order or in the most expeditious manner and the total cost of such expedited shipment and handling shall be borne by Seller. Acceptance of late deliveries shall not be deemed a waiver of SI Group's right to hold Seller liable for any loss or damage resulting therefrom, nor shall it act as a modification of Seller's obligations hereunder, nor shall it constitute a waiver of any other right or remedy to which SI Group may be entitled by law or in this agreement.

4. WARRANTIES: Seller warrants that all products furnished hereunder will be properly delivered, delivered, packaged and labeled, free of all encumbrances and of any claim of any nature by any third person, and that all products will be free from defects in design, workmanship and materials. Seller further warrants that all products will be delivered in strict accordance with the specifications, samples, drawings, designs or other requirements (including performance specifications) attached to this agreement or otherwise approved by SI Group. SI Group shall provide a certificate of analysis for each shipment. Any products which do not satisfy the foregoing warranties will, at SI Group's option within six (6) months of SI Group's receipt of such products, and at Seller's sole cost, be either rejected and returned to Seller or used at Seller's option for such further processing or use as Seller may determine, but in any event shall remain the property of Seller. If Seller fails to perform any of the terms of this agreement, Seller shall reimburse SI Group for all material costs and expenses, including, without limitation, attorney's fees, arising out of, or resulting from the operation of any Seller facility, and Seller's handling, treatment, storage or disposal of raw materials, intermediates, final products or wastes. Any waste materials or byproducts generated by Seller's processing of materials shall be and remain the property of Seller, and SI Group shall have no interest in same.

5. PROCESS CHANGES: Seller shall not deliver to SI Group any products manufactured by a process, or containing raw materials, different from the process or raw materials previously used by Seller in the manufacture of such products unless at least ninety (90) days prior to delivery of same, Seller shall have notified SI Group in writing thereof and, upon SI Group's request, provided SI Group an opportunity to test such product in SI Group's manufacturing facilities. If SI Group objects in writing, within thirty (30) days of receipt of such sample product, and Seller subsequently supplies such changed product, then Seller shall be liable for all costs that SI Group may incur.

6. COMPLIANCE WITH LAWS: Seller agrees to comply with the applicable provisions of any federal, state or local law or ordinance and all lawful orders, rules, and regulations issued thereunder. Further, Seller warrants that each chemical substance constituting or contained in goods sold or otherwise transferred to SI Group hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended. Seller shall comply, if and where applicable, with the following provisions of the Federal Acquisition Regulation ("FAR") and the Department of Defense FAR Supplement ("DFARS"). Seller agrees to comply with the Toxic Substances Control Act. Seller further agrees to comply with the following provisions of the Federal Acquisition Regulation ("FAR") and the Department of Defense FAR Supplement ("DFARS"). FAR 52.222-36, Affirmative Action for Workers with Disabilities (incorporating, among other things, 41 C.F.R. 60-741.5(a)); FAR 52.222-38, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and other Eligible Veterans (incorporating, among other things, 41 C.F.R. 60-754.5(a)); FAR 52.221.8, Utilization of Small Business Concerns; FAR 52.222-22, Modification of Employees' Conditions of Employment—Dues Or Fees; FAR 52.244-6, Subcontracts for Commercial Items and Commercial Components; DFARS 252.244.7000. Subcontracts for Commercial Items and Commercial Components (DoD Contracts); DFARS 252.247-7023, Transportation of Supplies by Sea; DFARS 252.247-7024, Notification of Transportation of Supplies by Sea.

7. CONFIDENTIALITY: The terms of this agreement shall be deemed confidential and shall not be disclosed to third parties unless otherwise agreed to by the parties in writing, or as may be required by law. Seller shall use the information supplied by SI Group only to accomplish work covered by this agreement and for no other purpose.

8. INTELECTUAL PROPERTY: Seller warrants that the sale or use of products delivered hereunder will not infringe any patents, trademarks or other industrial rights either in the country in which such products are manufactured, or in any country in which such products are sold, transported or delivered. Seller covenants to defend and indemnify, and hold SI Group harmless against any suit for any such alleged infringement.

9. TITLE TRANSFER: Title to all products shall pass from Seller to SI Group at the same point that risk of loss of the products passes to SI Group in accordance with the delivery term stipulated in this agreement.

10. INDEMNIFICATION: To the fullest extent permitted by applicable law, Seller shall defend, indemnify, hold harmless and release SI Group, its officers, directors, employees, agents, customers and assigns from and against all suits, claims or proceedings, at law or in equity, and from all claims, damages, losses and expenses, including, without limitation, attorney's fees, arising out of, or resulting from the operation of any Seller facility, and Seller's handling, treatment, storage or disposal of raw materials, intermediates, final products or wastes. Any waste materials or byproducts generated by Seller's processing of materials shall be and remain the property of Seller, and SI Group shall have no interest in same.

11. FORCE MAJEURE: Neither party shall be held liable for any failure to fulfil any terms or conditions herein if such failure is a result of any Act of God, fire, explosion, strike, lockout, riot, flood, epidemic, act of terrorism, foreign or domestic wars or hostilities, arrests or restraints, embargoes or other import or export restrictions, or action of any government. It is expressly agreed that the Seller's ability to sell product at a more advantageous price, or the Seller's economic hardship in buying the raw materials necessary to manufacture product at a commercially reasonable price shall not constitute a force majeure event. During the pendency of any force majeure event, the affected party's obligations will be suspended. If the force majeure event continues for sixty (60) consecutive days, the non-affected party may terminate this agreement on written notice to the other party without liability. In the event of a force majeure compelling the Seller to allocate production and delivery of product, the Seller shall make such allocation in a manner that ensures SI Group shall receive all the same proportions of product as is in Seller's total output in which such products are sold to SI Group prior to the force majeure situation. Seller shall use reasonable best efforts to source product, at Seller's expense, from its own or its affiliate's global operations or the market in order to meet SI Group's required delivery dates. Seller shall provide SI Group advance written notice of the source of such material. All such sourced products shall meet the agreed upon specification and other quality requirements.

12. TERMINATION FOR CAUSE: Either party may terminate this agreement upon thirty (30) days' prior written notice to the other party ("the Defaulting Party") in the event the Defaulting Party is in breach of any material term of this agreement; provided, however, that, during that notice period, the Defaulting Party may cure its default and thereby abate the termination. Termination of this agreement pursuant to this Section shall not prejudice any other rights and remedies of the non-defaulting party. Either party will have the right to terminate the agreement immediately in the event (i) of the institution by or against either party of involuntary proceedings of bankruptcy or under any insolvency law or law for the relief of debtors, or (ii) the other party passes a resolution for winding up its business (other than for the purpose of amalgamation or restructuring).


14. WAIVER & SEVERABILITY: Any failure by SI Group anytime, or from time to time, to require the performance by the Seller of any of the terms of this agreement shall not constitute a waiver by SI Group of the particular terms and conditions and shall not affect or impair said terms or conditions in any way. Each of the provisions of this agreement shall apply to the full extent permitted by law, and the invalidity in whole or in part of any provisions shall not affect the remainder of such provision or any other provision.

15. ASSIGNMENT: The agreement between SI Group and Seller shall not be assigned in whole or in part by Seller or SI Group without the written consent of the other party, such consent not to be unreasonably withheld, except that no consent shall be required where the assignee is either an Affiliate of a party or is a purchaser of or other successor to a significant portion of the assets or business used by either party to perform under the agreement. Any purported assignment in violation of this clause shall be void. Seller shall not subcontract any obligation under this agreement without consent of SI Group.

16. SURVIVAL: All rights accruing prior to the expiration or other termination of the agreement will survive such expiration or termination.

17. ENTIRE AGREEMENT: These Standard Conditions of Purchase, together with the terms of the purchase order, and the attached agreement, constitute the entire agreement between the parties. In the event of an inconsistency between the specific terms of the attached agreement and the terms of these Standard Conditions of Purchase, the specific terms of the attached agreement shall govern.