

## Terms and Conditions

**1. Sole and Exclusive Terms:** These Terms and Conditions and the terms set forth on the Purchase Order Confirmation on the reverse side hereof (the "Order Confirmation"), along with any drawings or specifications related to the products described on the Order Confirmation that are delivered by Hermetic Solutions Group to Buyer (as may be superseded by the delivery of subsequent drawings and/or specifications to Buyer), are the sole and exclusive agreement governing this transaction (collectively, the "Contract") between Hermetic Solutions Group ("HSG") and the buyer ("Buyer") notwithstanding any different or additional terms that may be contained in any prior, contemporaneous, or subsequent communications, offers, or purchase orders of Buyer (if applicable) or any other writing delivered, or otherwise made available, to HSG by Buyer; all such different or additional terms are hereby expressly rejected. HSG's agreement to enter into the Contract and perform its obligations thereunder is expressly conditioned upon Buyer's assent to the terms and conditions hereof, which assent shall be conclusively and finally evidenced by the first to occur of (A) Buyer's failure to advise HSG, in writing, of any objection to the Terms within fifteen (15) calendar days of the date set forth on the Order Confirmation, or (B) Buyer's receipt of any of the products described on the Order Confirmation.

**2. Price and Payment:** Prices and terms of payments specified herein for the products covered hereby may be adjusted to HSG's prices and terms of payment in effect at the time of performance or shipment. Unless otherwise specified, the terms of payment are net 30 days from date of invoice. HSG reserves the right to periodically invoice Buyer for progress payments in the course of performing any of its obligations hereunder (including, without limitation, manufacturing and/or preparing products for sale).

**3. Shipping; Title and Risk of Loss:** Notwithstanding any actions to the contrary, including any pursuit of freight claims by HSG on behalf of Buyer (if applicable), HSG's exclusive terms of sale regarding the transfer of title of products sold is F.O.B., Origin and title to products and risk of loss shall pass immediately to Buyer upon delivery to a carrier at the point of shipment.

**4. Inspection:** Buyer shall, within 10 days of the receipt of any products delivered hereunder, inspect such products and, not later than five days after such inspection, shall advise HSG, in writing, time being of the essence, if any of the products are, in the opinion of Buyer, not in compliance herewith. In the event that no such notification is received by HSG, the products shall be deemed to have been conclusively accepted by Buyer and, for any and all purposes hereof, deemed to be compliant with the terms hereof. Any products that are, in the opinion of Buyer, not in compliance herewith and with respect to which HSG receives a written notice as set forth in this Section 4, shall be placed by Buyer in safe storage for inspection by HSG. The provisions of this Section 4 shall not be deemed, in any respect, to effect the transfer of title and risk of loss provisions of Section 3.

**5. Taxes:** Any tax or taxes now or hereafter imposed under any existing or future law upon or with respect to the sale of products by HSG (including but not limited to with respect to delivery, storage, processing, use, consumption or transportation), except income taxes, shall be for the account of, and paid by, Buyer and, if paid or required to be paid by HSG, the amount thereof shall be added to and become part of the price payable by Buyer.

**6. Force Majeure:** HSG shall not be responsible for delays in the shipments or delivery of products or for no performance of the Contract, in whole or in part, if such delay or non-performance shall be due to fires, floods, strikes, work stoppages or slow down, accidents, casualties, inability to procure materials or labor, delays in transportation however caused, or other like or unlike causes, foreseen or unforeseen, beyond HSG's control. The foregoing shall be in addition to and not in limitation of any excuses for nonperformance available to HSG under the Uniform Commercial Code or any other applicable law.

**7. Termination:** The Contract is binding upon the Buyer and HSG and cannot be cancelled or modified by Buyer except with the written consent of HSG and on terms to be agreed upon that shall include protection of HSG against any loss. HSG may, at its option, terminate the Contract if Buyer fails to make payment in accordance with the terms and provisions of the Contract or any other agreement with HSG, or fails to otherwise comply with the provisions of the Contract or any other agreement with HSG, and the Buyer hereby waives any cause of action and the right to any offset or counterclaim against HSG by reason of such termination. Restrictive endorsements on Buyer's checks will not reduce Buyer's obligations to HSG. HSG may, at any time or times, suspend shipment or delivery of any products or require payment in cash, security or other adequate assurance satisfactory to HSG when, in HSG's opinion, the financial condition of Buyer or other grounds for insecurity warrant such action. Upon a termination of the Contract (by either party and for any reason) prior to HSG's delivery of all products sold hereunder, HSG reserves the right to seek payment and reimbursement from Buyer for all work performed and costs incurred by HSG hereunder or in connection herewith (including, without limitation, manufacturing and/or preparing products for sale) up to the point of termination. The foregoing right shall be in addition to, and not in limitation of, any other rights at law or equity that HSG may have upon a termination of the Contract.

**8. Intellectual Property:** Products sold by HSG are manufactured, in whole or in part, to the specifications of Buyer. Buyer does hereby release and agree to indemnify, defend and hold harmless HSG from and against any and all claims, losses or liabilities (including, but not limited to, legal fees, costs and expenses) with respect to, or arising out of, any actual or alleged violation of any of the intellectual property rights of any party on account of the manufacture of such products.

**9. Patents/Indemnity:** If Buyer receives a claim that products, or part thereof manufactured by HSG infringes a patent, Buyer shall notify HSG promptly in writing and give HSG information, assistance and exclusive authority to evaluate, defend and settle such claim. Where Buyer has furnished specifications/designs for the manufacture of the allegedly infringing products, Buyer shall defend, indemnify and hold harmless HSG against third-party claims for infringement arising out of Seller's use of such specifications/designs

**10. Warranty:** HSG warrants that its products shall conform to the description on the face of the Order Confirmation and shall be free from defects in products and workmanship as determined by HSG's manufacturing and production standards. THE LIMITED WARRANTY DESCRIBED HEREIN SHALL BE IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED. NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE SHALL APPLY. The terms that are contained herein constitute the entire agreement of the parties with respect to warranties and representations of HSG. There are no other representations, warranties, or guarantees that apply to the sale of HSG's products unless otherwise expressly agreed to in writing by HSG. Any claim for breach of the express warranties set forth herein that is not made within the timeframes set forth in Section 10 shall be deemed to be waived.

**11. Exclusive Remedy:** Buyer's exclusive remedy for any warranty claim, or for any other claim arising from, based on, or in connection with the Contract, shall be, at HSG's option, (a) replacement, rework or repair of any non-conforming product or service, or (b) refund of the purchase price for the product or service involved (which may be conditioned upon the return to HSG of the relevant product). Any products that HSG chooses to replace, rework or repair will be shipped to Buyer F.O.B., Origin. In no event shall any products be returned, repaired, reworked, or scrapped by Buyer without the written authorization of HSG. Any claim by Buyer for any cause arising from, based on, or in connection with the Contract shall be deemed waived unless made, in writing, within 30 days of the discovery of any such claim; provided, however, that no action shall be brought by Buyer for any cause arising from, based on, or in connection with the Contract more than one year after the date of shipment of the relevant goods. **NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, (I) HSG'S TOTAL LIABILITY, WHETHER ARISING FROM, BASED ON, OR IN CONNECTION WITH THE CONTRACT, WHETHER A CLAIM IS MADE UNDER CONTRACT, WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY, OR ANY OTHER CAUSE OR BASIS WHATSOEVER, SHALL NOT, IN ANY EVENT, EXCEED THE PURCHASE PRICE OF THE PRODUCTS INVOLVED, AND (II) HSG SHALL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY LOSSES, DAMAGES OR EXPENSES, WHETHER DIRECT OR INDIRECT.**

**12. Suitability:** Buyer shall have sole responsibility for selection and specification of the products appropriate for the intended end use of such products, even if Buyer has informed HSG of the intended end use for such products. Buyer acknowledges that it alone has determined that the products purchased hereunder will suitably meet the requirements of their intended end use.

**13. Work Product; Confidentiality:** All specifications, drawings, designs, data, information, ideas, methods, patterns and inventions made, conceived, developed, or generated by HSG incident to its procurement of or performance under the Contract ("Work Product") shall vest in and inure to HSG and be the sole property of HSG. Buyer agrees to keep confidential the terms of the Contract, all Work Product, and any confidential information of HSG furnished or made available to Buyer. Buyer shall, upon HSG's request, return to HSG any materials furnished to Buyer by HSG, together with any and all copies thereof and any and all extracts therefrom.

**14. Applicable Law; Severability; Forum:** The Contract shall be construed in accordance with the laws of the State of New Jersey; provided, however, that the Convention on Contracts for International Sale of Goods is specifically excluded. If any of the terms or conditions of the Contract are declared to be unenforceable by a court of competent jurisdiction, all other portions shall be considered to be valid and enforceable to the extent that they are reasonably severable. Buyers hereby irrevocably submit to the exclusive jurisdiction and venue of (a) the state courts sitting in Monmouth County, New Jersey, and (b) the U.S. District Court for the district of New Jersey, for the adjudication of any dispute arising from, based on, or in connection with the Contract, and hereby irrevocably agrees that it will not assert in any such suit, action or proceeding, any claim that is not personally subject to the jurisdiction of any such court, or that such suit, action or proceeding is improper.

**15. Entire Agreement; Assignment:** The Terms constitute the entire Contract between the parties, notwithstanding any purchase order and/or terms and conditions delivered, or otherwise made available, to HSG by Buyer in connection with the subject matter hereof. There are no other agreements, representations, warranties or terms or conditions, other than those stated herein. Any alteration or modification to this Contract must be in writing signed by HSG. Buyer shall not assign the Contract or any interest therein without the written consent of HSG. Any such actual or attempted assignment without HSG's prior written consent shall be invalid and shall entitle HSG to cancel the Contract upon notice to Buyer.

**16. Government Contracts:** If Buyer's order is for a U.S. government contract, and products ordered from HSG are to be used in the performance of said contract, Buyer shall inform HSG of such intended use and only those mandatory flow down clauses of applicable U.S. government procurement regulations required by federal statute to be included in U.S. government subcontracts shall be incorporated herein by reference. In any such case, Buyer shall furnish to HSG all government contract numbers and related information, documentation and procurement data. Additionally, only Federal Acquisition Regulation ("FAR") supplement clauses expressly accepted in writing by HSG shall be included or incorporated by reference herein. HSG shall not be bound by and makes no representation of compliance with FAR or FAR supplement clauses that HSG has expressly accepted in writing.

**17. Export Laws:** Buyer acknowledges that the commodities, technology, or software covered by this purchase order are subject to all applicable export laws and regulations of the United States, including but not limited to, the U.S. Arms Export Control Act, as amended (22 U.S.C. §§ 2751-2799), the International Traffic in Arms Regulations (ITAR), as amended (22 C.F.R. Part 120 et seq.), the Export Administration Act, as amended, (50 U.S.C. §§ 2401-2420), and the U.S. Export Administration Regulations (EAR), as amended (15 C.F.R. § 730 et seq.). In addition commodities, technology, or software may be subject to embargoes and export controls administered by the Office of Foreign Assets Control and the U.S. Department of State. Compliance with these laws and regulations is the

responsibility of the Buyer and the Buyer agrees to not divert any products purchased from HSG in a manner that is prohibited by U.S. laws and regulations.

**18. Finance Charges; Collection Fees:** In consideration for the extension of credit, Buyer agrees to pay for all purchases within the terms agreed (net 30 days unless otherwise specified) and agrees to pay a service charge of 1-1/2% per month (18% annual percentage rate) on all past due balances. In the event that any third parties are employed to collect any outstanding monies owed to HSG by Buyer, Buyer agrees to pay to HSG reasonable collection costs, including attorney fees, whether or not litigation has commenced, and all costs of litigation incurred by HSG.

**19. Dies, Tools, Patterns:** HSG's charges for dies, molds, patterns and the like represent the Buyer's proportionate cost thereof, it being expressly understood that they remain the property of HSG. Modifications made to the dies, molds, patterns, and the like in order to manufacture products shall be at the discretion of HSG.

**20. Prohibition for Hazardous Use:** Products sold hereunder are not intended for application in, and shall not be used by Buyer in construction or application of a nuclear installation or in connection with use or handling of nuclear material or for any hazardous activity or critical application, where failure of a single component could cause substantial harm to persons or property, unless products have been specifically approved for such activity or application. HSG disclaims all liability for loss or damage resulting from such unauthorized use and Buyer shall defend, hold harmless and indemnify HSG against any such liability, whether arising under breach of contract, warranty, tort (regardless of the degree of fault or negligence), strict liability or otherwise.