

TERMS & CONDITIONS OF PURCHASE

ACCEPTANCE OF ORDER. This purchase order (including all drawings, specifications and other documents attached or referred to in this purchase order) (the "order") shall become binding on Mitsubishi Electric Automation, Inc. ("Buyer") only when and if (a) Buyer receives the acknowledgment copy of this order signed and dated by a duly authorized officer of the vendor specified on this purchase order ("Seller") within 14 days from the date of this order or (b) Seller delivers the goods or performs the services to which this order applies prior to Buyer revoking its order. This order and the terms and conditions set forth herein shall become binding on Seller when (a) Seller executes and returns the acknowledgment copy to Buyer or (b) Seller delivers to Buyer any of the goods or performs any of the services ordered by Buyer.

This order shall be accepted according to the terms and conditions contained herein, and any additional or different terms of Seller shall be deemed to constitute a rejection of this order. Any terms or conditions proposed in Seller's acceptance of Buyer's offer which add to, vary from or conflict with the terms and conditions contained herein are hereby objected to and rejected.

The terms herein shall constitute the complete and exclusive statement of the terms and conditions of the agreement between Buyer and Seller. They may hereafter be modified only by a written agreement executed by the authorized representatives of both parties.

If this order has been issued by Buyer in response to an offer by Seller, and if any of the terms or conditions herein are additional to or different from any of the terms of such offer, then the issuance of this order shall constitute an acceptance of such offer subject to the express condition that the Seller assents to such additional and different terms and conditions of this order, and that this order constitutes the entire agreement between Buyer and Seller, and a rejection of such additional and different terms and conditions proposed by Seller, with respect to the subject matter hereof and the subject matter of such offer. Seller shall be deemed to have so assented and acknowledged to the terms and conditions of this order, unless Seller notifies Buyer to the contrary in writing within 14 days from the date of this order and an authorized representative of Buyer agrees in writing to such additional and different terms and conditions proposed by Seller.

PRICES. Buyer shall not be billed at prices higher than these stated on this order. Seller represents and warrants that the prices for all goods and services to which this order applies are as favorable as those currently extended to any other customer for the same and/or similar goods and/or services in equal or less quantities. If Seller reduces its prices for any of such goods or services after placement of this order but before the date specified for payment, Seller shall reduce the prices thereof correspondingly to Buyer. Unless otherwise specified, the prices stated in the order include all charges for packing, hauling, storage and transportation to the point of delivery to Buyer. Seller shall pay all delivery charges in excess of the delivery charge Buyer has agreed in writing to pay, if any. The price stated includes all taxes, except state or local sales or use taxes which Seller is required by law to collect from Buyer. Such taxes, if any, shall be separately stated in Seller's invoice and paid by Buyer unless an exemption is available.

CHANGES. Buyer reserves the right at any time to make changes in any one or more of the following: (a) drawings or design specifications where the goods to be furnished are to be specially manufactured for Buyer; (b) method of shipment or packing; or (c) place or time of delivery or performance. If any such change causes an increase or decrease in the cost and/or time required for performance of this order, an equitable adjustment shall be made in the purchase price and/or delivery or performance schedule, as the case may be. Any claim by Seller for adjustment under this provision shall be deemed waived unless asserted in writing within ten (10) days from receipt of Seller's notice of such change. Price increases or extensions of time for delivery or performance requested by Seller shall not be binding on Buyer unless approved in writing by a duly authorized representative of Buyer.

SAMPLES. If samples are required in connection with this order, Seller shall not forward quantity shipments until such samples are approved by a duly authorized representative of Buyer.

DELIVERY. Deliveries or performance are to be made both in quantities and at the times specified by Buyer in this order or, if none are specified in such quantities and at such times as are subsequently specified pursuant to Buyer's written instructions. The obligation of Seller to meet the delivery or performance dates, specifications and quantities set forth in the order, and time is of the essence of this order. Shipments in greater or lesser quantity than ordered without the prior written authorization of Buyer may be returned in whole or in part at Seller's expense in the event of any late delivery or performance by Seller. Buyer, without limiting any of its other rights or remedies, may either direct expedited routing of performance and charge any excess cost incurred thereby to Seller, or cancel and terminate this order in whole or in part without incurring any liability to Seller. Goods which are delivered in advance of schedule are

delivered at the risk of Seller and may, at Buyer's option, be returned at Seller's expense for proper delivery and/or payment may be withheld therefore by Buyer until the date that the goods are actually scheduled for delivery.

TITLE AND RISK OF LOSS. Title and risk of loss or damage shall pass to Buyer when the goods sold here under are delivered to Buyer in accordance with this order at the f.o.b. point.

PACKAGING AND SHIPPING INSTRUCTIONS. All goods shall be packaged and shipped in the manner and by the route and carrier specified by Buyer; Seller shall enclose a packing slip without prices in each shipped container. On shipments not so accompanied, Buyer's count or weight shall be conclusive. Buyer's order number, Seller's name, packing slip number and other identification as Buyer shall require shall appear on all containers, invoices, correspondence, bills of lading and other shipping papers. Seller shall not make c.o.d. shipments unless required by Buyer. Unless otherwise provided in this order, Seller shall make no charge for boxing, crating, handling, storage or other packing requirements. All goods shall be packaged, marked and prepared for shipment in a manner which is (a) in accordance with good commercial practice, (b) acceptable to common carriers for shipment at the lowest rate for the particular goods and (c) adequate to insure safe arrival of goods at Buyer's specified destination. Seller shall mark all containers with necessary lifting, handling and shipping information. Unless otherwise provided in this order, goods shall be delivered f.o.b. Buyer's designated warehouse.

INSPECTION. Buyer shall have the right, but not the obligation, to inspect and test all goods at any time during the period of manufacture and prior to or upon delivery to Buyer. Acceptance of the goods by Buyer shall also be subject to inspection and testing by Buyer after physical receipt, installation or assembly of the goods. If any of the goods are defective or otherwise not in conformity with the design, specifications or other requirements of this order, Buyer, in addition to its other rights, may reject the goods and return them to Seller for full credit, may rework such goods at Seller's expense, or may require prompt repair or replacement thereof by Seller at Seller's expense within thirty (30) days. Buyer may also, except in the case Seller so repairs or replaces or Buyer so reworks, "cover" by making in good faith and without unreasonable delay any reasonable purchase of or contract to purchase goods or services in substitution for those due from Seller. Buyer may recover from Seller as damages the difference between the cost of cover and the contract price consequential damages, but together with any incidental or less expenses saved in consequence of Seller's breach. Failure of Buyer to effect cover shall not bar Buyer from any other remedy. The fact that Buyer may have received, inspected or tested, failed to inspect or test, paid for used or resold any goods shall not constitute acceptance or affect any rights of Buyer under this order or otherwise at law or in equity. Buyer shall be under no obligation to perform any initial or subsequent inspection or testing of the goods.

REJECTION AND RETURNS. Buyer may reject, and return or hold at Seller's expense and risk, all goods shipped contrary to Buyer's instructions; not manufactured in strict compliance with Buyer's specifications, designs, drawings and samples, if any; not shipped in containers conforming to Buyer's specifications (or in the absence of such specifications in recognized standard containers conforming to carrier's specifications); which violate or allegedly violate any applicable statute, ordinance or administrative order, rule or regulation; not packaged, labeled, invoiced or stamped in compliance with any applicable law, rule or regulation; or which violate or allegedly violate or infringe any patent, trademark, copyright, trade secret or other intellectual property right. Buyer may charge to Seller all expenses of unpacking, inspecting, repacking, storing and reshipping of any goods so rejected. Buyer's right to reject and return or hold goods at Seller's expense and risk shall, without limitation, extend to goods sold to Buyer hereunder which are returned by or to Buyer's customers because of defects in design, workmanship or material or any other non-conformance with specifications, designs, drawings or samples, if any, Buyer may, at its option, require Seller, within thirty (30) days after notice, to repair, replace or grant a full refund or credit in lieu of replacement with respect to any goods so rejected.

CANCELLATION/TERMINATION. Buyer may terminate any obligation to Seller with respect to the purchase of the goods and/or services to which this order applies immediately without notice to Seller and without liability to Seller in the event any of the following occur: (i) Seller's insolvency or the filing by or against Seller of a voluntary or involuntary petition alleging bankruptcy or insolvency, (ii) the appointment of a receiver or trustee for Seller, (iii) the execution by Seller of an assignment for the benefit of creditor or (iv) Seller's ceasing to function as a going concern.

Buyer also reserves the right to cancel or suspend all or, from time to time, any undelivered or unexecuted portion of this order upon notice to Seller (a) if Seller fails to perform any work according to designs, drawings, samples (if any) and specifications, or if Seller breaches any of the terms hereof, or (b) at any time for convenience. In the event Buyer cancels or suspends any undelivered or unexecuted portion of this order pursuant to clause (a) of this paragraph, Buyer shall have no obligation to accept any deliveries or performance after the date of cancellation or suspension or to make any further payments, except for goods delivered or services performed prior to cancellation or suspension. In the event Buyer cancels or suspends any undelivered or unexecuted portion of this order pursuant

to clause (b) of this paragraph, Buyer shall reimburse Seller for its direct expenses reasonably and necessarily incurred to the date of such notice (which shall not include lost profits) resulting from any cancellation or suspension made for convenience, which amount shall in no event exceed the applicable pro rata portion of the order price based on percentage of completion. The foregoing states Buyer's entire liability and Seller's exclusive remedy for any change and/or cancellation or suspension of all or any part of this order. Any claims by Seller hereunder shall be made if at all, but notice to Buyer, in details, within thirty (30) days after the cancellation or suspension.

WARRANTY. Seller expressly warrants that all goods and services covered by this order shall conform to the specifications, drawings, samples (if any) or other descriptions upon which this order is based, and they shall be fit and sufficient for the purposes intended by Buyer, merchantable, new and free from defects in design, material and workmanship, Seller's obligations under with warranty shall survive inspection, test, acceptance and resale or use. Seller's warranty shall run to Buyer, its successors, assigns and customers and the users of the goods and services. In the event of any breach of warranty by Seller, in addition to its other rights, Buyer may reject the goods and return them to Seller for full credit, may rework such goods at Seller's expenses or may require repair or replacement thereof by Seller at Seller's expense within thirty (30) days. Buyer may also, except in the case Seller so repairs or replaces or Buyer so reworks, "cover" by making in good faith and without unreasonable delay any reasonable purchase of or contract to purchase goods or services in substitution for those due from Seller. Buyer may recover from Seller as damages the difference between the cost of cover and the contract price, together with any incidental or consequential damages, but less expenses saved in consequence of Seller's breach. Failure of Buyer to effect cover shall not bar Buyer from any other remedy. Complaints or notice of breach of warranty shall be considered to be made within a reasonable time if Buyer notifies Seller within a reasonable time after discovery thereof by Buyer or after notification is given Buyer of defect or failure by any of Buyer's customers.

CONFIDENTIALITY. The contents of this order (including without limitation, prices, designs and specifications) and all related commercial and technical information disclosed by Buyer to Seller shall be kept secret and confidential by Seller, and shall not be divulged by Seller to any third party or used by Seller otherwise than in connection with Seller's performance of this order. Seller shall limit dissemination of Buyer's confidential information to Seller's employees with a need to know and who have agreed to maintain its confidentiality. Unless otherwise agreed in writing, no commercial or technical information disclosed in any matter at any time by Seller to Buyer shall be deemed secret or confidential, and Seller shall have no rights against Buyer with respect thereto except such rights as may exist under United States patent or copyright law.

ADVERTISING. Seller shall not, without prior written consent of Buyer, advertise or publish in any manner the fact that Seller has contracted to furnish goods and/or services to Buyer. If Seller shall fail to observe this provision, Buyer shall have the right to cancel this order without any obligation to accept any deliveries or performance after the date of cancellation or to make any further payments, except for goods delivered or services performed prior to cancellation.

BUYER'S PROPERTY. All information, specifications, designs, tools, equipment, models, drawings, dies or other materials supplied or paid for by Buyer shall be and remain Buyer's property and shall be held by Seller for Buyer unless directed in writing otherwise by Buyer. All Buyer's property shall, at Seller's expense, be safely stored separate and apart from Seller's property wherever practicable, and shall be kept free from all liens, claims, encumbrances and interests of third parties. Seller shall not substitute any other property for any of Buyer's property, shall not deliver or make available to any third party any of Buyer's property or any property or goods developed, manufactured or created with the aid of Buyer's property and shall not use any of Buyer's property or such other property except in filling the orders of Buyer. Seller shall affix and maintain such visible labels, plates or other markings on Buyer's property identifying it as such, as Buyer provides or directs. All Buyer's property, while in Seller's custody or control shall be held at Seller's risk and shall be kept insured by Seller at Seller's expense and in amount equal to the replacement cost, with loss payable to Buyer. Upon completion by Seller of this order, or upon the written request of Buyer at any time, Seller shall prepare all of Buyer's property for shipment and deliver such property as directed by Buyer in the same condition as originally received by Seller, ordinary wear and tear excepted. Any goods manufactured, developed or created with the aid of any of Buyer's property which, for any reason, is not delivered to or accepted by Buyer, and upon written request by Buyer, any of Buyer's property not returned to Buyer, shall be destroyed by Seller unless Buyer notifies Seller otherwise in writing. Buyer shall have the right at all reasonable times during normal business hours and upon prior request, to enter Seller's premises to inspect any and all of Buyer's property and any goods manufactured, developed or created with the aid of Buyer's property.

COMPLIANCE WITH LAW. Seller represents and warrants that the goods sold and services performed pursuant hereto shall conform with all applicable federal, state and local laws, ordinances, regulations, codes and standards, including, without limitation, the Consumer Products Safety Act, the Federal Trade Commission Act and all applicable

Federal Trade Commission trade practice rules.

INDEMNIFICATION. Seller shall defend, indemnify and hold harmless Buyer, its successors, assigns and customers from all claims, lawsuits, losses, damages and expenses, including attorneys' fees arising from any breach of the representation and warranty contained in the preceding section, and from any and all claims, suits and other proceedings alleging infringement or violation of any patent, trademark, copyright, trade secret or other intellectual property right, or unfair competition, arising from or relating in any manner to any goods or services furnished pursuant to this order, except for goods manufactured entirely to Buyer's specifications and design. Upon receipt of notification from Buyer, Seller shall promptly assume full responsibility for the defense of any such claim, suit or proceeding. However, Buyer, at its option, may be represented by and actively participate through its own counsel in the defense of any such claim, suit or proceeding. Buyer shall notify Seller of any such claim, suit or proceeding promptly after receipt of knowledge thereof, and shall cooperate with Seller, at Seller's expense, as requested in the defense hereof.

DAMAGES TO THIRD PARTIES. Seller agrees to protect, defend, hold harmless and indemnify Buyer from and against any and all claims, lawsuits, losses, damages, liabilities and expenses, including attorneys' fees, arising out of any actual or alleged death of or injury to any person, damage to any property, or any other damage or loss by any third party suffered, resulting or claimed to have resulted in whole or in part from any actual or alleged defects in the goods or services provided hereunder, whether latent or patent including actual or alleged improper construction or design of such goods or the failure of such goods to comply with any specifications, designs, drawings or samples, if any, or with any express or implied warranties of Seller, or arising out of any actual or alleged violation by such goods or their manufacture, possession, use or sale, of any law, statute or ordinance or any governmental or administrative order, rule or regulation or otherwise. These agreements and obligations of the Seller shall not be affected or limited in any way by Buyer's extension of express or implied warranties of Seller to its customers. Seller shall maintain such public liability insurance, including products liability, completed operations and worker's compensation insurance as will adequately protect Buyer against such claims, lawsuits, losses, damages, liabilities and expenses, including attorneys' fees. Seller shall provide certificates of such insurance to Buyer upon request.

FORCE MAJEURE. War, flood, strike, work stoppage, accident, riot, act of governmental authority, act of God or other contingency beyond the reasonable control of Buyer which shall affect Buyer's ability to receive and use any goods or services ordered shall constitute valid cause for Buyer's postponement of delivery or performance or, at Buyer's option, for cancellation or modification of this order in whole or in part, to such extent as Buyer determines to be reasonable under the circumstances, without any obligation or liability to Seller.

REMEDIES CUMULATIVE; NO WAIVER. Each of the rights and remedies of Buyer in this order shall be cumulative and additional to any other or further remedies provided in this order or otherwise at law or in equity. No failure by Buyer to enforce at any time any provisions of these terms and conditions of sale, and no waiver of any breach or default by Seller, shall be construed as a waiver of Buyer's right thereafter to enforce each and every such term and condition.

ASSIGNMENT. Seller may not assign any of its rights, duties, or obligations in this order without the prior written consent of Buyer, and any such attempted assignment shall be void. Buyer may assign this order and all of its right, duties and obligations in whole or in part to any other person or entity without the prior consent of Seller. Following any such assignment, Buyer's assignee shall succeed to the right, duties and obligations of Buyer under this order as if such assignee were an original party to this order. The terms and conditions of this order shall bind and inure to the benefit of Seller and Buyer and their respective permitted successors and assigns.

GOVERNING LAW; SEVERABILITY. This order and the terms and conditions set forth herein shall be governed by and construed according to the laws of the State of Illinois. The purchase and sale of produces shall not be governed by, and the parties hereby disclaim the effect of, the United Nations Convention on Contracts for the International Sale of Goods, as amended, the United Nations Convention on the Limitation Period in the International Sale of Goods, as amended, and the Uniform Computer Information Transactions Act. If any provision of this order shall be adjudged, by any court or competent jurisdiction to be invalid, illegal or unenforceable in any respect, such adjudication shall not affect or modify any other provision or the balance of the provision so affected, all of which shall remain in full force and effect as if such invalid, illegal or unenforceable provision were not part hereof.

INDEPENDENT CONTRACTORS. Buyer and Seller are independent contractors, and their relationship is not one of principal and agent. No act or obligation of either party is in any way binding upon the other party.

NONWAIVER OF COMPLIANCE. No failure by Buyer to enforce at any time any provision of these terms and conditions of purchase shall be construed as a waiver of Buyer's right thereafter to enforce each and every such term and condition.

NOTICES. All notices and other written communications in connection with this order shall be in writing and shall be sent by registered or certified mail, with all postage prepaid, or by prepaid private delivery service, to each party at its address set forth on this order or to such other addresses may be specified by such party by notice given in accordance herewith.

INVOICES. Invoices shall be submitted in duplicate and shall contain the following information: purchase order number, item number, description of item or service, quantities, unit prices, any applicable taxes and extended totals. Bills of lading or express receipts shall accompany such invoices. Payments of invoices shall be subject to adjustment by Buyer for shortages, defects other failures of Seller or other valid claims of Buyer against Seller to meet the requirements of this order. Buyer may at any time set off any amount owed to Seller against any amount owed by Seller to Buyer whether in connection with this order or otherwise.

LIMITATIONS ON BUYER'S LIABILITY; STATUTE OF LIMITATIONS. In no event shall Buyer be liable for Seller's lost profits or for special, indirect, incidental, punitive or consequential damages of any kind whatsoever. Buyer's liability on any claim of any kind for any loss or damage arising out of, connected with or resulting from this order or from the performance or breach hereof shall in no event exceed the prorata purchase price allocable to the goods or services which gives rise to Seller's claim. Any claim or action resulting from any alleged breach by Buyer of any of the terms and conditions of this order shall be commenced, if at all, within one year after the cause of action has accrued.

ENTIRE AGREEMENT. These terms and conditions of this order constitute the entire agreement between the parties with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings, oral and written between the parties with respect to such subject matter. This order may not be modified or amended except by a written agreement duly executed by the parties.

HEADINGS. The headings contained in this order are included for mere convenience of reference and shall not be considered in any construction or interpretation of them.