

TERMS AND CONDITIONS OF PURCHASE

Terms of Performance. The commencement of performance by the Seller identified in any PO (together with these terms and conditions of purchase, this “PO”) constitutes an irrevocable offer of the Seller to sell and to deliver the products described therein (the “Products”) to InPro electric USA Ltd. identified in the PO (“Purchaser”) according to the terms stated in this PO. The PO when accepted by Seller’s written or electronic confirmation or commencement of performance, shall constitute a binding contract and agreement between the parties. ACCEPTANCE OF THE PO BY PURCHASER IS EXPRESSLY LIMITED TO THE TERMS AND CONDITIONS CONTAINED HEREIN, AND ANY ADDITIONAL OR DIFFERENT TERMS OR CONDITIONS CONTAINED IN SELLER’S INITIAL OFFER OR ANY RESPONSE TO THE PO SHALL BE DEEMED REJECTED BY PURCHASER WITHOUT NEED OF FURTHER NOTICE OF REJECTION AND SHALL BE OF NO EFFECT NOR IN ANY CIRCUMSTANCES BINDING UPON PURCHASER.

Acceptance of the Products. Seller agrees that the Purchaser shall not be deemed to have accepted the Products until the Products have arrived at Purchaser’s place of business and Purchaser has had a reasonable time to inspect the Products, provided that any such inspection shall not be deemed a waiver of any product defects, or final acceptance of the Products as to quality, quantity or otherwise.

Purchaser may inspect all Products ordered from Seller hereunder at all times and places, including during the manufacturing process. Such inspection may at Purchaser’s option include Seller’s compliance with required quality control procedures. Seller will permit Purchaser or its designees access to Seller’s facilities at all reasonable time and will provide all tools and assistance reasonable necessary for such inspection and/or confirmation at no additional cost.

All Products shall be carefully and properly prepared, secured and packed in accordance with the requirements stated on the face of this PO and in a manner suitable to provide adequate protection against damage in transit to destination. Any Products damaged in transit due to improper or inadequate packing shall be repaired or replaced at Seller’s expense. Purchaser shall not be responsible for the return of packing containers or materials.

Purchaser may reject any Products which do not meet the specifications set forth in the PO. Purchaser may return any such Products to Seller for reimbursement, credit or replacement or correction. Purchaser may in his option correct such Products at Seller’s cost. Any Products rejected will be at Seller’s risk and expense and Seller will not thereafter tender such Products for acceptance unless the former correction or rejection is disclosed. Seller will reimburse Purchaser for any packaging, handling and transportation costs Purchaser incurs with respect to the rejected Products.

Purchaser may revoke acceptance at any time whether or not a substantial modification to the Products has been made if a defect in the Products which could not have been discovered during Purchaser’s normal inspection procedures or which normally is not discoverable until the Products are used substantially impairs the value of the Products to Purchaser.

Neither Purchaser's exercise nor its failure to exercise any rights provided for hereunder will relieve the Seller from responsibility for such Products which are not in accordance with the PO requirements or impose liability on Purchaser therefore.

Price. Except as expressly set forth in the PO and subject to adjustments specified herein, the purchase price for the Products sold shall be the price specified in the PO. Unless otherwise noted in the PO, such price is CIF Facility designated by Purchaser ("CIF Designated Facility"). For purposes of this PO, the term "CIF" shall mean a price that includes all applicable charges including, but not limited to, packing, packing material, loading, freight and insurance to CIF Designated Facility and customs fees and all applicable taxes and duties that may be levied upon the manufacture, sale or delivery of the Products under this PO.

Price Increases. Prices are not subject to change without Purchaser's approval evidenced by Purchaser's properly authorized written amendment to the PO. Seller warrants that the prices for the Products as sold to Purchaser shall not be less favorable than Seller currently extends to other customers.

Payment Terms and Invoices. Unless otherwise expressly stated in the PO, **payment terms are net sixty (60) days.** The payment date shall be calculated from the date that Seller's invoice is received by Purchaser or that the Products are accepted in accordance with this PO, whichever is later.

Delivery and Performance. Unless otherwise noted on Purchaser's PO, the terms of delivery for the Products are CIF facility designated by Purchaser specified on the reverse hereof ("CIF Designated Facility"). Regardless of the terms of delivery, the Seller shall bear all risk of loss to the Products until the same actually arrive at CIF Designated Facility. Delivery of non-conforming Products, or failure to deliver the Products at the time and in the manner specified shall, at Purchaser's option, relieve Purchaser of any obligation to accept delivered Products or to make payment hereunder. Time is of the essence in performance of this PO. Unless otherwise stated in the PO, Seller guarantees all delivery dates with respect to the Products (the "Delivery Date"). The Seller is responsible for employing the most expeditious shipping method available to meet the Delivery Date of the Products at no additional cost to Purchaser; provided that such shipping method shall comply with all governmental regulations applicable to the shipment of the Products. Seller shall not deliver any Products in installments unless agreed to in writing by both parties. Delay in delivery of any installment shall not relieve Seller of its duty to deliver any remaining installments by the specified Delivery Date. Without limiting Seller's obligations hereunder, Purchaser reserves the right to specify the methods, means and mode of packing and shipping the Products.

Force Majeure; Frustration of Purpose. Purchaser shall not be liable for any failure to accept the Products or to make payment hereunder if such failure is, directly or indirectly, caused by, or in any manner arises from fire, floods, accidents, civil unrest, acts of God, acts of terrorism, war, governmental interference or embargoes, strikes, labor difficulties, shortage of labor, fuel, power, materials, or supplies, breakage of machinery or apparatus, transportation delays, cancellation of PO by Customer of Purchaser or any other cause or causes (whether or not similar in nature to any of those hereinbefore specified) beyond its control.

Indemnity; Procedure. Seller agrees to indemnify, hold harmless and defend Purchaser and its customers ("Indemnitees") from and against all liability, loss, damage, costs and

expenses including, but not limited to, costs and expenses of litigation and reasonable attorneys' fees, which Indemnitees hereafter may incur or which Indemnitees may reimburse to a third party as the result of any claim, action or right of action, at law or in equity, arising out of any infringement or alleged infringement of any license, patent, copyright or any other intellectual property right, or resulting from injury (including death) to any person or damage to any property occurring as a result of, or caused in whole or in part by, acts or omissions of Seller or its employees, any subcontractor or its employees, or any person, firm or corporation employed or engaged by Seller, including any failure of the Products to comply with the warranties made hereunder. Seller hereby waives and releases Indemnitees from any and all rights of recovery, claims, actions or causes of action which Seller may have against Indemnitees with respect to those matters which Seller has agreed to indemnify Indemnitees hereunder. Seller shall not be liable to Indemnitees for loss, damage, costs and expenses which are the direct result of the gross negligence or intentional conduct of Indemnitees. In the event any claim is made against Purchaser by reason of any matter referred to and in respect of which the Seller is alleged to be or otherwise may be liable under this Section, the Purchaser may conduct, with counsel of its choosing, all litigation and all settlement negotiations arising out of the claim and seek reimbursement from Seller for amounts expended as and when expended, or may, at Purchaser's option, require Seller to conduct the defense of the claim, at Seller's cost and expense, with counsel reasonably acceptable to Purchaser. In no event will Seller settle any claim against Purchaser, or for which Purchaser may be liable, without the written consent of Purchaser. In the event Purchaser elects for Seller to defend any claim under this Section, Purchaser shall have the right, at its election, to participate in the defense of any such claim for the further protection of its own interests.

Warranties. Seller expressly warrants and guarantees to Purchaser and to any subsequent purchasers or users of the Products supplied hereunder (i) that the Products supplied hereunder will be fit for the specified purpose for which they are purchased by Purchaser and will be free from all defects, and in strict accordance with any plans or specifications set forth in or referred to in this PO (ii) that said Products and the sale or use of them does not infringe directly or indirectly any valid United States or foreign patent, copyright, trademark, license or other intellectual property right and that Seller will at Seller's expense, defend, indemnify and hold Purchaser and its customers, subcontractors and associated companies free and harmless from and against any claims, demands, actions and litigation based on alleged or actual infringement thereof and any and all resulting liabilities, losses, costs and expenses (including, without limitation, attorneys' fees) (iii) that all amounts charged by Seller and payable pursuant to this PO are lawfully chargeable under, and shall not violate, directly or indirectly, the provisions of any laws, decrees, regulations, rules or orders of any government authority which in any manner fix, limit, regulate or otherwise affect prices at which said items may be sold; (iv) that all laws applicable to furnishing labor and material or sales of merchandise have been fully complied with; (v) that said Products are new unless otherwise stipulated on the face of this PO; (vi) that Seller has good title to said Products free and clear of all liens, security interests or encumbrances of any kind; and (vii) that in supplying said Products to Purchaser, Seller has complied with all applicable foreign, state, federal and local laws, rules and regulations. Any inspection or acceptance of Products by Purchaser shall not be deemed to alter or affect the obligations of Seller or the rights of Purchaser and its customers under the foregoing warranties.

Defaults; Remedies. If Seller fails to fulfill its obligations under this PO in any manner, Purchaser may at its option: (i) cancel its obligation to purchase under any order relating to

such failure, (ii) cancel the entire PO and in each case hold the Seller responsible for all damages resulting from such failure, (iii) insist on future performance of the terms of this PO and deduct and offset from the amounts otherwise due Seller under this PO those losses and expenses directly and indirectly incurred by Purchaser and its customers as a consequence of such failure, (iv) cover elsewhere and hold Seller responsible for any losses and expenses incurred by Purchaser even if Purchaser intends to insist upon future performance with respect to future deliveries, and, in addition, (v) pursue any other remedies permitted at law or in equity and request reimbursement of fees and costs incurred in connection with any litigation or collection activities. These remedies are cumulative and the pursuit of any one or more remedies shall not in any manner operate as an election of remedies or otherwise waive Purchaser's rights to pursue any other rights or remedies available to it at law, in equity or under this PO.

Termination for Convenience. Purchaser may terminate the PO at any time for convenience by giving written notice to Seller. Upon receipt of such notice Seller will immediately stop all work hereunder and direct any supplier to cease such work. Purchaser will pay Seller for all Products which are ready for shipment in accordance with this PO's delivery schedule prior to Seller's receipt of the termination notice and reimburse Seller for all reasonable out-of-pocket expenses and raw material procurements made in reliance on the PO. Purchaser will not be liable to make payments to Seller for loss of anticipate profit, unabsorbed overhead, interest on claims product development and engineering costs or charges in connection with the termination of the PO. Purchaser will not pay for any work done after receipt of the notice of termination.

Termination for Cause. Purchaser may terminate this PO or any part for cause at any time in the event of a default by Seller. "Default" means: (i) Seller's failure to comply with any of the terms and conditions of this PO; (ii) Seller's failure to give Purchaser upon request assurance of Seller's ability to perform, (iii) insolvency, bankruptcy, liquidation or dissolution of Seller or (iv) any other event which causes reasonable doubt as to Seller's ability to render due performance hereunder. If, after termination for Default it is determined that Seller was not in Default, the rights and obligations of the parties will be the same as if the termination was for Purchaser's convenience.

Protection of Trade Secrets and Confidential Information. Subject to any specific terms set forth in any non-disclosure agreement by and between Purchaser and Seller to the contrary, the parties hereto agree that Seller shall not disclose any (i) Trade Secrets for such time as they remain Trade Secrets or (ii) Confidential Information for a period of **three (3) years** after disclosure of Purchaser to any individual or entity not a party to this Agreement.

Seller may make available Trade Secrets or Confidential Information to its qualified employees, as defined hereinafter, to the extent that such information must be disclosed to such qualified employees to apply the Trade Secrets or Confidential Information to its intended use. A "qualified employee" shall mean any individual employed by or affiliated with Seller who is bound by a valid and fully enforceable confidentiality agreement which contains confidentiality obligations substantially similar to the confidentiality obligations stated herein, prior to disclosure of the Trade Secrets and Confidential Information to such employee.

From time to time, it may become necessary that Seller make available Trade Secrets or Confidential Information to its suppliers or agents ("Supplier"). In any and all such

cases, Seller shall (i) identify Suppliers to Purchaser in writing and (ii) ensure that any Supplier shall agree to and be bound by the terms of protection of Trade Secrets and Confidential Information as set forth herein and enter into a non-disclosure agreement to that effect. Purchaser may, at its discretion, request proof from Seller with respect to the foregoing and Seller shall remain liable to Purchaser for any breach of the term of the respective non-disclosure covenants by any Supplier.

(b) For purposes of this Agreement the following terms shall have the meanings set forth below:

- (i) The term “Trade Secrets” shall mean and include any and all designs, plans, processes, tools, mechanisms, programs or compounds known to only Seller, or to those of its clients and employees to whom they must be confided in order to be applied to the uses intended, some or all of which may arise to the level of being patentable or subject to copyrights, all as further defined under the laws of the State of South Carolina.
- (ii) The term “Confidential Information” shall mean and include information not rising to the level of Trade Secret and not generally known to or by a business in competition with the Seller or otherwise publicly disseminated by the protected party hereto, the disclosure of which may be beneficial to a competing business or detrimental to Seller.

Property. Unless otherwise provided in the PO, property of every description, including material, drawings, manufacturing aids furnished by the Purchaser to Seller for the performance of the PO shall remain property of Purchaser plainly marked or otherwise adequately identified by Seller as property of Purchaser.

General Provisions.

Seller shall not assign its rights or delegate its performance obligations under this PO, by operation of law or otherwise, without the prior written approval of Purchaser.

This PO shall be governed by and construed according to the laws of the State of South Carolina, without regard to its conflict of laws rules. The United Nations Convention on Contracts for the International Sale of Products shall not apply to this PO.

The courts of South Carolina shall have exclusive jurisdiction over all matters arising from this Agreement or its breach. The Seller agrees to work with a jury trial at Purchaser’s request.

In the performance of the PO Seller shall comply with all applicable provisions of the laws and will hold the Purchaser harmless from any liability resulting from Seller’s non-compliance with the applicable provisions of the laws.

In the event that it becomes necessary for Purchaser to initiate a suit or other legal proceeding against Seller for Seller's breach of the conditions or terms of this PO, either for recovery of monies paid or for damages incurred, Purchaser shall be entitled to recover, in addition to damages or recovery of monies paid, attorneys' fees, costs and disbursements incurred in connection with such suit or legal proceeding.

Purchaser's waiver of any breach, or failure to enforce any of the terms and conditions of this PO, at any time, shall not in any way affect, limit or waive Purchaser's rights thereafter to enforce and compel strict compliance with every term and condition hereof.

In no event shall Purchaser be liable to Seller, regardless of the form of action, whether in contract or in tort or otherwise, for any incidental or consequential damages of any nature whatsoever, including without limitation, lost profits.

Each section and subsection of this PO constitutes a separate and distinct understanding, covenant and provision hereof. In the event that any provision of this PO shall be void or unlawful, such provision shall be deemed to be severed from this PO, but every other provision of this PO shall remain in full force and effect.

The pre-defined commercial terms used herein shall be interpreted as set forth in the Incoterms as published by the Industrial Chamber of Commerce.

This PO sets forth the entire agreement between Seller and Purchaser, and no terms, conditions, understanding or agreement purporting to modify or vary the terms of this PO shall be binding unless hereafter made in writing and signed by Seller and Purchaser.

Purchaser shall have the right to set off against any amount due Seller under this PO or any other agreement to which Purchaser and Seller are parties any amount due hereunder from Seller to Purchaser in respect of damages or indemnity payments or otherwise.

Seller shall bear the risk of any currency fluctuation in the market price of the Products. In no event, shall any such price fluctuation relieve Seller of its obligations to make timely delivery hereunder.