

VERSA PRODUCTS COMPANY, INC.

Master Purchase Order Terms & Conditions

1. ACCEPTANCE. The following terms and conditions, together with the Addendum hereto and such terms as are set forth in any specific purchase order between the parties, with such plans, specifications or other documents as are incorporated by reference, shall constitute the entire contract (the "Purchase Order") between Versa Products Co., Inc. ("Buyer") and Seller. The Purchase Order shall be deemed to have been accepted by the Seller upon Seller's signing and dating of this document and the receipt of the same by the Buyer. All subsequent purchase orders entered into between Buyer and Seller shall be memorialized in a writing executed by both parties and shall be governed by the terms set forth herein.

2. PRICE AND DELIVERY. Seller shall furnish the Goods and/or Services covered by the Purchase Order in accordance with the prices and delivery schedule stated on the face of any specific purchase order. Unless otherwise specified in writing by Versa Products Co., Inc., delivery must be made freight collect via a Versa Products Co., Inc. specified carrier. If prices and/or delivery dates are not stated, Seller shall offer its lowest prices and best delivery dates, both of which shall be subject to written acceptance by Buyer. All prices include all applicable taxes and other government charges, including, but not limited to all federal, state and municipal sales, use or excise taxes, or any customs duties.

Seller warrants that the prices charged for the Goods or Services Ordered shall be as low as the lowest prices charged by the Seller to any customers purchasing similar Goods or Services in the same or smaller quantities and under like circumstances. Buyer may return, or store at Seller's expense, any Goods delivered more than ten (10) days in advance of the delivery date specified for such Goods. No increase in price of the articles, materials or Services covered by this Purchase Order shall be binding unless accepted in writing by Buyer.

3. QUANTITY. Quantities stated in this Purchase Order are the maximum quantities covered hereby and quantities in excess thereof shall not be accepted by Buyer. Buyer reserves the right to return any quantities delivered in excess of those set forth herein at the risk and expense of Seller.

4. F.O.B., TITLE AND RISK OF LOSS. Unless the Purchase Order expressly states otherwise, all goods shall be shipped FOB: the "Ship to" location designated in the Form. Risk of loss shall not pass to Buyer until goods called for in this Purchase Order actually have been received and accepted by the Buyer at the destination specified herein. Seller assumes full responsibility for packing, crating, marking, transportation and liability for loss and/or damage even if Buyer has agreed to pay freight, express or other transportation charges. No charges for packing, package or drayage will be accepted, except on express agreement to such charges.

5. INVOICES. Seller's invoice must bear the specific purchase order number. Invoices accompanied by original bill of lading or express receipt must be mailed to Buyer on date of shipment. When Seller's invoices which are subject to cash discount are not mailed on date of shipment, the discount period shall be calculated as beginning on the date when such invoices are received by Buyer. Payment of invoice shall not constitute acceptance of the Goods or requirements of this Purchase Order. Buyer may set off any amount owed by Seller or any of its affiliated companies to Buyer against any amount owed by Buyer to Seller under this Purchase Order.

6. WARRANTIES. In addition to all other express or implied warranties, Seller warrants that the Goods shall be: (i) free from defects in workmanship and materials; (ii) free from defects in design except to the extent that such Goods comply with the detailed design provided by Buyer; (iii) suitable for the purposes, if any, which are stated on the face of this Order; and (iv) in conformity with all the other requirements of this Purchase Order. These warranties, and all other warranties, express or implied, shall survive delivery, inspection, acceptance and payment. In addition to any other rights Buyer may have, if Goods are found not to be as warranted within a period of one (1) year after acceptance by Buyer, Buyer may return such Goods to Seller, at Seller's expense, for correction, replacement or credit, as Buyer may direct. Any Goods corrected or furnished in replacement shall, from the date of delivery of such corrected, or replacement Goods, be subject to the provisions of this Section #6 for the same period and to the same extent as Goods initially furnished pursuant to this Purchase Order.

As to Services, in addition to any express or implied warranties, Seller warrants that it possesses the requisite expertise, facilities and equipment necessary and appropriate to perform the Services, and that such Services shall be performed in a safe and workmanlike manner. In addition to any other rights Buyer may have, if the Services are found not to be performed as warranted within a period of one (1) year after the conclusion of the performance of the Services by Seller, Seller shall, at Buyer's option, either refund to Buyer the amount paid for the Services, or perform the Services again in a proper manner to the extent necessary to provide Buyer with the result originally contemplated by Buyer.

7. MATERIALS AND TOOLS. If Buyer furnishes Seller material or equipment (such as special dies, molds, jigs, tools, test equipment, etc.) or pays for such material or equipment, title thereto shall remain or vest in Buyer, and Seller shall label, identify, maintain and preserve such material and equipment of Buyer. Seller shall use such material or equipment exclusively in the performance of the Purchase Order for Buyer, and shall return said material and equipment to Buyer immediately upon demand. Seller shall be responsible for any loss, damage or destruction to such material or equipment.

8. PROPRIETARY AND CONFIDENTIAL TRADE SECRET INFORMATION. All material, equipment and written documentation obtained by Seller from Buyer pursuant to this Purchase Order or any subsequent purchase order between Buyer and Seller shall be considered proprietary and confidential trade secret information of the Buyer, shall be held in strict confidence by Seller, shall remain the sole and exclusive property of the Buyer, and shall be used by Seller only to the extent necessary for the performance of the Purchase Order. Said proprietary and confidential trade secret information shall not be shared with or

disseminated to any third party at any time or for any purpose, and shall be returned to Buyer immediately upon demand.

9. ASSIGNMENT/SUBCONTRACTING. Neither party shall have any right to assign this Purchase Order or any benefits arising from this Purchase Order without prior written consent of the other and, unless otherwise agreed upon in writing, the rights of any assignee shall be subject to all set-offs, counterclaims, and other comparable rights arising hereunder. Seller shall not subcontract for complete or substantially complete parts of the work called for by this Order without Buyer's prior written approval.

10. COMPLIANCE WITH LAWS. Seller shall comply with all federal, state and local laws, ordinances, rules and regulations in the manufacture and sale of the Goods and performance of the Services, including but not limited to the Fair Labor Standards Act, the Occupational Safety and Health Act, Executive Order 11246, the P Rehabilitation Act, the Vietnam Era Veterans Readjustment Act, 41 C.F.R. §60-1.4 (Equal Opportunity); 41 C.F.R. §60-250.4 (Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era); 41 C.F.R. §60-741.4 (Affirmative Action for Handicapped Workers), and all laws relating to the environment or to human health or safety associated with the environment; or any other federal, state or local law or regulation of the same or similar nature, as the same may be amended or supplemented from time to time. To the extent required by law, Seller shall provide Buyer with Material Safety Data Sheets ("MSDS") upon delivering any goods to Buyer. MSDS must comply with the OSHA Hazard Communication Standard published as 29 C.F.R. §1910.1200. Seller shall defend and hold Buyer harmless from any loss (including attorneys' fees), damages, or costs arising from or caused in any way by any actual or alleged violation of any federal, state or local law, ordinance, rule or regulation.

11. LIEN WAIVERS. Seller shall furnish, upon Buyer's request, waivers by Seller and all other persons that may be entitled to assert any lien rights in connection with the performance of this Purchase Order, and shall indemnify Buyer against all costs, loss or liability incurred by Buyer as a result of any failure by Seller or any other person under the direct or control of Seller to comply with the provisions of this Section #11.

12. PATENT INFRINGEMENT. Seller guarantees that the sale or use of any and all articles or materials delivered hereunder shall not infringe any patent or copyright; that Seller shall at its own expense defend any action, suit or claim in which an infringement of any patent or copyright is alleged with respect to the sale or use of said articles or materials; and that Seller shall indemnify and save harmless Buyer and/or its customers from any and all losses, costs and damages for infringement or alleged infringement or any patent or copyright because of the sale or use of said articles or materials.

13. LIABILITY FOR INJURY. Seller shall indemnify Buyer against any and all costs, loss and liability for all personal injury and property damage (including but not limited to response or remedial action costs associated with damage to the environment or to natural resources), caused by the Goods or Services performed by Seller (whether performed on the premises of Seller or Buyer or elsewhere), and shall defend at its sole cost and expense any action brought against Buyer as a

result of any such personal injury or property damage. Seller shall carry and maintain insurance coverage sufficient to cover the above, and upon Buyer's request, shall furnish Buyer with satisfactory evidence of such insurance.

14. NOTICE OF LABOR DISPUTES. Whenever an actual or potential labor dispute delays, or threatens to delay, the timely performance of this Purchase Order, Seller shall immediately notify Buyer in writing of all relevant information with respect to such dispute.

15. CHANGES. Buyer may, at any time, by written change order, suspend performance of this Purchase Order, in whole or in part, make changes in the drawings, designs, specification, method of shipment or packing, or time or place of delivery of the Goods, reschedule the Services, or require additional or diminished Services. If any such change causes an increase or decrease in the cost of, or the time required for, performance of this Purchase Order, an equitable adjustment shall be made in the contract price or delivery dates or both, and this Purchase Order shall be modified in writing accordingly. Any claim for equitable adjustment under this Section #15 may, at Buyer's option, be deemed to be absolutely and unconditionally waived unless asserted in writing (including the amount of the claim) and delivered to Buyer within thirty (30) days from the date of receipt by Seller of the change order. Buyer's engineering and technical personnel are not authorized to change the Goods or Services ordered or any other provision of this Purchase Order. No change order shall be binding on Buyer unless issued by an authorized representative of Buyer's purchasing office.

16. TERMINATION. Any specific purchase order that has been placed by Buyer with Seller is designed to enable Buyer to comply with a contract with its customers or in anticipation of such a contract. Buyer reserves the right at any time without cause, to cancel all or any part of the undelivered portion of this Purchase Order by written notice to Seller. In the event of any such termination, Buyer shall, if such cancellation is not because of fault on the part of Seller, reimburse Seller for Seller's fabrication costs for all finished articles ordered and in process prior to the effective date of such cancellation, and such reimbursement shall constitute Seller's sole remedy. The provisions of this paragraph shall not limit or affect the right of Buyer to terminate this Purchase Order for default of Seller.

17. WAIVER. The failure of Buyer to insist upon the performance of any provision of this Purchase Order, or to exercise any right or privilege granted to the Buyer under this Purchase Order, shall not be construed as waiving such provision or any other provision of this Purchase Order, and the same shall continue in full force and effect. If any provision of this Order is found to be illegal or otherwise unenforceable by any court or other judicial or administrative body, the other provisions of this Purchase Order shall not be affected thereby, and shall remain in full force and effect.

18. PAYMENT. Discount terms are as set forth in the specific purchase order. If no terms are specified, the net amount shall be payable within 45 days after the later of (i) delivery and acceptance of goods or other performance conforming with the terms of this Purchase Order and (ii) invoicing. Except as otherwise provided in the Purchase Order, the price includes all applicable Federal, State and local taxes and duties. Seller assigns to Buyer all rights to

refunds of sales and use taxes paid in connection with the Purchase Order and agrees to co-operate with Buyer in the processing of any refund claims. Unless expressly otherwise provided in the Form, Buyer shall not be liable for any shipping, handling, fuel surcharges or similar fees.

19. INSURANCE. In connection with the Purchase Order, Seller, at its own cost and expense, shall obtain and maintain in force during the term of this Purchase Order, the following insurance coverage:

- a. A policy of workers' compensation insurance, in amounts required by law, covering all officers and employees of Seller who are in any way engaged in or connected with the Purchase Order, and employer's liability insurance in an amount of not less than Five Hundred Thousand Dollars (\$500,000). Seller shall require its agents, sub-suppliers and subcontractors, who are in any way engaged in or connected with the Purchase Order to maintain the same insurance as required herein of Seller.
- b. A policy of commercial general liability insurance with broad form property damage endorsement, personal injury and products completed operations coverage, affording protection in an amount of not less than Two Million Dollars (\$2,000,000) per incident and in the aggregate, with respect to personal injury, death, or damage to property.
- c. If this Purchase Order contemplates professional services, a policy of professional liability insurance, including errors and omissions, affording protection of not less than One Million Dollars (\$1,000,000) per incident and One Million Dollars (\$1,000,000) in the aggregate.
- d. A policy of comprehensive automobile liability insurance covering the operation of all motor vehicles used by Seller or its agents in connection with this Purchase Order, affording protection in an amount of not less than One Million Dollars (\$1,000,000) combined single limit with respect to personal injury, death, or damage to property.

All of these insurance policies shall be issued by insurance companies with an AM Best rating of "A" or higher and a financial strength rating of VII or higher, or equivalent ratings provided by a disinterested, generally recognized rating agency. The commercial general liability policy shall name Versa Products Co., Inc. as an additional insured, and shall be written as primary coverage and not contributing with or in excess of any coverage that the Buyer may carry. Upon request, Seller shall furnish to Buyer a current certificate of insurance for each of the policies required above. Such insurance shall not be canceled or terminated without ten (10) days prior written notice to Buyer of any cancellation or termination.

20. INDEMNITY AND HOLD HARMLESS. From and after the date of this Purchase Order, the Seller agrees to indemnify, defend and hold harmless the Buyer from any and all claims and liabilities, regardless of by whom such claim or liability may be asserted, for personal injury (including death), or loss or damage to property, or any other claim that may result directly or indirectly from the acts or omissions of the Seller or the services provided by Seller pursuant to this Purchase Order. That duty to defend, indemnify and hold harmless includes the duty to pay any attorneys' fees and legal related costs incurred by Buyer arising therefrom.

With regard to Seller's obligations set forth above, the Buyer shall have the right to select the legal counsel whom Seller shall provide to defend Buyer, subject to Seller's approval of the qualifications of such legal counsel and the reasonableness of counsel's hourly rates as compared to the rates of attorneys with similar experience and qualifications in the relevant area of legal expertise and in the jurisdiction where the claim will be adjudicated. If the Buyer elects, in its sole discretion, to retain separate legal counsel, in addition to or in lieu of the counsel to be provided by Seller, then all costs and expenses incurred by the Buyer for such separate counsel shall be borne by the Buyer and the Seller shall reasonably cooperate with the Buyer and its separate legal counsel in the investigation and defense of any such claim or action. Seller shall not settle or compromise any claim or action against Buyer without Buyer's prior written consent. If the Buyer elects to require that Seller defend a claim pursuant to this paragraph, and Seller fails or declines to assume the defense of such claim within thirty (30) days after notice thereof, the Buyer may assume the defense of such claim and Seller shall pay the attorneys' fees and costs arising therefrom. In addition, any liabilities, settlement payment obligation or judgment obligation arising therefrom shall be paid exclusively by Seller.

21. COMPLETE AGREEMENT. This Purchase Order, including the Addendum of Additional Terms & Conditions annexed hereto, as well as the terms & conditions of any subsequent purchase order entered into between the parties, constitutes the complete and entire agreement between parties as to the subject matter hereof, and replaces and supersedes any prior or contemporaneous communications, representations or agreements, whether oral or written, with respect to such subject matter.

22. TERMINATION WITHOUT CAUSE. Buyer, in its sole discretion and without cause, may terminate this Purchase Order, in whole or in part, at any time without incurring liability to Seller for lost profits, or any other costs or damages, other than the proportionate value of the purchase price for work completed or goods delivered. Payment due shall be a percentage of the purchase price equal to the percentage of the work completed and/or any unit prices in the purchase price specified for goods delivered.

23. TRANSPORTATION. Mode of transportation and carrier are to be in accordance with Versa Products Co., Inc. purchase order instructions. In the absence of shipping instructions for a specific purchase order the Seller is to contact Versa Products Co., Inc. for clarification.

24. GOVERNING LAW/CONSENT TO JURISDICTION. This Purchase Order and the rights and duties of Buyer and Seller shall be governed, construed, enforced and performed in accordance with the laws of the State of New Jersey. Moreover, Buyer and Seller consent and agree that the institution and/or defense of any legal action or proceeding in connection with this Purchase Order must be filed and adjudicated in the Superior Court of New Jersey, Bergen County or the United States District Court for the District of New Jersey.

25. PARAGRAPH HEADINGS. Headings on paragraphs in this Purchase Order are inserted only for convenience and shall not be construed as a part of this Purchase Order or as a limitation of the scope of the paragraph or section to which they refer.