

Terms and Conditions

Unless otherwise agreed upon in writing and signed by the parties, the following terms and conditions shall apply in full between PTI Engineered Plastics, Inc. (hereinafter "PTI") and Supplier with regard to all purchase orders, all releases and orders generated therefrom and/or relating thereto and other associated purchase documents ("Order").

1. ACCEPTANCE

1.1 Supplier shall be deemed to have accepted all of the terms and conditions of this Order upon either (i) signing the Order or providing any acknowledgement of the Order and delivering a copy of same to PTI or, (ii) at PTI's option, when Supplier begins any performance under the Order.

1.2 Any acceptance of this Order is limited to acceptance of the express terms contained in these Terms and Conditions or otherwise incorporated herein by reference ("PTI's Terms"). If any terms proposed in Supplier's acceptance of this Order add to, vary from or conflict with PTI's Terms, such additional, different and/or conflicting terms proposed by Supplier are deemed objected to and PTI's Terms will constitute the complete and exclusive statement of the terms and conditions of the Order between the parties and will be deemed accepted by Supplier without Supplier's additional, different and/or conflicting terms. If this Order has been issued by PTI in response to an offer, any acceptance by PTI is subject to and conditional upon Supplier's acceptance of PTI's Terms (which is deemed given as stated in 1.1)

1.3 Supplier acknowledges that no prior or subsequent instrument used by or delivered by Supplier shall govern this Order and that PTI and Supplier are contracting solely on the basis of PTI's Terms, which may only be modified as provided herein.

1.4 For purposes of this Order, the terms "Goods" shall be defined as the products described in the specific Order and all services, components, tooling, equipment, raw materials and supplies to be provided by Supplier.

2. PACKING, MARKING, AND SHIPPING

2.1 All Goods shall be packaged, marked and prepared for shipment in the manner which is specified in the Order, provided that to the extent no specific manner is set forth in the Order, then: (a) in accordance with good commercial practice, (b) acceptable to common carriers for shipment at the lowest rate for the particular Goods and in accordance with applicable UCC regulations, (c) in accordance with the current edition of PTI's packaging standards, and (d) adequate to ensure safe arrival of Goods at the named destination. Country of origin shall be documented, including code section references for U.S. goods, and appropriate labels.

2.2 Any transportation charges shall be prepaid by Supplier and any such charges for which it is entitled to reimbursement shall be added to Supplier's invoice as a separate item and the receipted freight bill shall be attached thereto. All Goods shall be shipped F.O.B. point of origin and in the manner set forth on the Order.

2.3 No charge shall be made by Supplier for containers, crating, boxing, bundling, dunnage, drayage, storage or insurance, except as expressly provided in the Order.

2.4 In the event of any improper packing, marking, shipping or routing and/or any failure to observe the conditions of this Section, Supplier shall reimburse PTI for all expenses arising therefrom and shall pay any resulting additional freight, cartage or other costs incurred, directly or indirectly.

2.5 Except as otherwise required, all containers to be returned to Supplier shall be shipped on a no-charge basis with Supplier's name and address and demand for return clearly marked thereon.

2.6 Each shipment must include packing slips and bills of lading bearing the applicable purchase order number and the location of the plant to which supplies are to be shipped.

2.7 All invoices shall contain the following assurance: "Supplier represents that it has complied with the Fair Labor Standards Act of 1938, as amended, in supplying or performing the services covered by this invoice."

3. TERMINATION AT OPTION OF PTI

3.1 This Order may be terminated by PTI, at its option in whole or in part, at any time or from time to time by fax, electronic mail or by delivery or mailing of a written notice of termination to Supplier. PTI shall have such right in addition to any other rights to terminate the Order.

3.2 Under termination by PTI under this Section, Supplier shall immediately stop all work under the Order or portion of the Order terminated and shall cause its suppliers to stop all such work. To the extent of the terminated portion of the Order and subject to any setoff rights of PTI, PTI shall pay to Supplier the following amounts without duplication: (1) The applicable price stated in the Order for the applicable Goods which have been completed and accepted by PTI and not previously paid for, but only to the extent there is an outstanding Order and release therefor and such Goods do not exceed amounts scheduled under the Order in writing to be delivered as of the date of termination, (2) The actual costs (exclusive of profit) incurred by Supplier for work-in-process which cannot reasonably be used by Supplier in producing supplies for itself or for its other customers (but only to the extent the amount of work-in-process is reasonable, in PTI's judgment, in light of outstanding Orders, written releases, PTI's delivery schedules, and normal flow times, does not exceed amounts scheduled to be delivered within ten days following termination (when added to finished Goods in (1) above) and only if same is properly allocable under recognized commercial accounting practices to the terminated portion of the Order), less the reasonable value thereof if actually used or sold by Supplier, and (3) The reasonable costs incurred by Supplier in protecting property in its possession in which PTI has or may acquire an interest if PTI has requested such protection in writing. The above payments shall not exceed the aggregate price specified in the applicable Order, less: (1) Payments otherwise made or to be made; (2) The price of any non-conforming, defective, damaged or destroyed Goods or Goods for which acceptance has been subsequently rejected or revoked; and (3) the price of any Goods otherwise not accepted by PTI.

3.3 Any materials which Supplier has on hand as a result of any such termination, the costs of which are included in the settlement outlined above, shall be held by Supplier subject to disposal instructions from PTI.

3.4 Payment under this Section shall be Supplier's exclusive remedy and PTI's only liability in the event this Order is terminated under this Section. Upon such payment to Supplier, all right, title and interest in work-in-progress, Goods and materials acquired by Supplier for the performance of the Order shall immediately pass to PTI. PTI will not be liable to Supplier for any other costs, overhead, anticipated profits, damages, losses or any other amounts whatsoever upon termination other than as expressly set forth above.

3.5 PTI's obligations under this Section shall not apply if this Order is terminated by PTI pursuant to the Termination Section below.

3.6 Supplier's claim for payment hereunder shall be submitted to PTI within sixty (60) days of the effective date of termination and any suit to enforce payment must be commenced within one (1) year of such termination. PTI shall have the right to audit any termination claim hereunder and shall have access to Supplier's books and records for such purpose.

3.7 Any termination by PTI, whether by default or otherwise, shall be without prejudice to any claims for damages or other rights of PTI against Supplier.

4. TERMINATION FOR CAUSE

4.1 PTI may also terminate this Order or any part hereof by written notice to Supplier upon any breach of Supplier, which shall include, but not be limited to, failure to comply with any term, condition or warranty of the Order, late deliveries, deliveries of Goods which are defective or which do not conform to PTI's order, failure to make progress so as to endanger performance of the work, failure to provide PTI, upon request, reasonable assurances of future performance, and/or in the event Supplier ceases to conduct its operations in the normal course of business, becomes insolvent or makes a general assignment for the benefit of creditors or files or has filed against it a petition of bankruptcy or for reorganization or pursues any other remedy under any other law relating to the relief for debtors or in the event a receiver is appointed for Supplier's property or business. In the event of termination, PTI shall not be liable to Supplier for any amount and Supplier shall be liable to PTI for any and all collection costs, attorney fees and expenses and all other damages, including incidental and consequential damages, sustained by reason of the Supplier's breach. In addition to all of PTI's other rights under the Order or applicable law, PTI may purchase or manufacture similar Goods and/or require Supplier to transfer title and deliver to PTI any and all property produced or procured by Supplier under any Order, and Supplier shall be liable to PTI for any excess costs to PTI.

5. GENERAL TERMINATION PROVISIONS

5.1 If the Order relates to Supplier's purchase of equipment that is not to be inventory or for resale, PTI will have an immediate right to purchase said equipment for the lesser of the Supplier's book value or Supplier's actual cost, in either case less any amounts allocated thereto under the Order prior to termination.

6. AMENDMENTS / NOTICES / BULLETINS / IMDS

6.1 The Order contains the complete and final agreement between PTI and Supplier and no agreement or other understanding in any way purporting to modify the terms and conditions of the Order shall be binding upon PTI unless made in writing and signed by PTI's authorized representative.

6.2 Notwithstanding the foregoing, PTI shall have the right to amend the Order and to make changes in drawings, specifications or designs, method of shipment or packing or place of performance by faxing, e-mailing or otherwise delivering written notice thereof to Supplier or posting such amendments on its website at www.teampti.com ("PTI Site"). Any difference in price shall be equitably adjusted between PTI and Supplier in writing. Any claim by Supplier for such adjustment must be in writing and delivered to PTI within 10 days from the date of notice to Supplier of such amendment.

6.3 Supplier expressly agrees that PTI shall also have the right to add to, amend or otherwise modify the Order, including these terms and conditions ("Changes") by either posting such Changes on the PTI Site or by faxing, e-mailing or otherwise delivering notice thereof to Supplier. Unless PTI notifies Supplier in writing to the contrary, Supplier acknowledges that all postings on the PTI Site shall constitute notice of all such Changes and shall be deemed to be an amendment of the Order to the extent stated on the PTI Site from the time of posting and agrees to be bound by same.

6.4 PTI may from time to time post Supplier Bulletins, certification requirements, non-conforming products notices, corrective actions required or demanded and other information and notices which PTI deems necessary or relevant to the performance of the Order or otherwise.

6.5 It is Supplier's responsibility to regularly and continually review the PTI Site for Changes, amendments, notices and information and Supplier will be deemed to have been duly notified if the applicable item is posted on the PTI Site and agrees to be bound by all such postings.

6.6 It is Supplier's responsibility to provide SDS with each shipment.

7. NON-ASSIGNMENT

7.1 Supplier shall not delegate in any manner to any other person, the manufacture or supplying of the Goods ordered hereby, it being expressly agreed that no part of this Agreement or any Order may be assigned or subcontracted by Supplier without prior written approval of PTI in each instance.

8. TECHNICAL AND OTHER INSTRUCTION

8.1 The technical and other instructions which are specified herein, in the Order or in documents approved thereto shall be part of this Order and Supplier is bound to comply with same.

8.2 Supplier shall be held responsible for costs and damages caused by any negligence in following such instruction.

9. INSPECTION, TESTING, AND REJECTION

9.1 Once product has been accepted and/or approved by PTI, no change of function, appearance, properties, materials, manufacturing methods, or manufacturing location shall be made without prior notification and written approval of PTI. PTI will then notify the customer of such changes when applicable.

9.2 PTI's acceptance of initial samples from production tooling shall in no manner constitute acceptance of the Goods and does not limit the Supplier's warranty liability contained herein nor PTI's rights to further inspect, test and/or reject the Goods as provided herein or under applicable law.

9.3 Supplier shall immediately notify PTI of any non-conformance and defects, discovered or anticipated, in Goods which have been delivered to PTI.

9.4 Payment for Goods delivered hereunder shall not constitute acceptance thereof. PTI shall be entitled to, but shall in no manner be deemed to be required to, make inspections, tests and other investigations at Supplier's premises, either itself or through a third party representative. Supplier shall permit such access, including access to any assistance, tools and/or equipment reasonably necessary to inspect such Goods and confirm any processes in manufacturing such Goods as may be requested by PTI. Verification by PTI shall not absolve the Supplier of the responsibility to provide acceptable Goods, nor shall it preclude subsequent rejection by PTI.

9.5 All Goods are subject to final inspection as determined by PTI and no such preliminary inspection shall be deemed a substitution or waiver thereof by PTI. PTI may reject any and all of said Goods which are in PTI's judgment, defective (which shall be defined as including Goods which are nonconforming) or otherwise do not meet the requirements or specifications of this Order. Goods so rejected and/or Goods supplied in excess of quantities called for herein may be returned to Supplier at its expense and risk and, in addition to PTI's other rights, Supplier shall, at PTI's option, (i) pay PTI all expenses of unpacking, examining, repacking and reshipping such Goods and the cost to correct allegedly defective Goods (ii) replace such Goods at Supplier's cost (iii) pay PTI the cost of replacing such Goods, all without Supplier's approval; and/or (iv) pay a \$150 administration fee for each such rejection.

9.6 In the event PTI receives Goods whose defects or non-conformity is not apparent on examination, PTI reserves the right to reject acceptance, require correction or replacement, obtain replacement Goods at Supplier's cost, as well as payment of damages. If PTI requires replacement or correction, Supplier's failure to replace or correct in the time specified by PTI shall be a default hereunder.

9.7 Nothing contained in the Order shall relieve Supplier's obligation of testing, inspection and quality control.

10. QUALITY CONTROL

10.1 This Order is subject to all quality standards and policies of PTI as are in writing and either delivered to Supplier or posted on the PTI Site, as revised or amended from time to time by PTI ("Quality Criteria"). Supplier acknowledges receipt of the Quality Criteria and accepts same. All such Quality Criteria are incorporated herein by this reference. Supplier agrees that PTI may revise or amend any quality Criteria at any time and that all such revisions and/or amendments that are on the PTI Site or otherwise made available to Supplier are binding on the Order and on Supplier.

10.2 Supplier shall permit a designated representative of PTI and/or PTI's customer or ultimate customer to visit Supplier's premises to observe and monitor the development and production of the Goods to verify compliance with Quality Criteria and this Order, including inspection of the manufacturing

process and disclosure of the test records. Upon PTI's request Supplier shall make available to PTI all quality records including without limitation documents and any other data, which relate to specified requirements and the effectiveness of Supplier's quality system. Supplier shall retain such quality records for at least ten (10) years.

10.3 Supplier shall procure that all of its sub-contractors are contractually bound to comply with the terms of this Section.

11. MANUFACTURING IN ADVANCE OF REQUIREMENTS

11.1 PTI shall not be responsible for any commitments made by Supplier in advance of those specifically authorized by PTI in writing as necessary to comply with PTI's schedules as set forth in the applicable Order.

11.2 Supplier shall not, without PTI's prior written consent, procure raw materials or manufacture in advance of Supplier's normal flow time or deliver in advance of schedule.

12. SPARE PARTS

12.1 Supplier will sell all such Goods requested by PTI at the prices set forth in the Order to enable PTI to fulfill its obligations to its customers for parts supply.

12.2 Additionally, subject to receiving written orders from PTI, Supplier shall supply PTI with parts sufficient to allow PTI to provide parts to its customers for 15 years after discontinuation of production of the end product.

13. WARRANTY

13.1 Supplier expressly warrants and guarantees that all Goods and services furnished hereunder shall (i) conform to all specifications, drawings, appropriate standards and other requirements of PTI and the Order; (ii) will be new; (iii) will be fit for the particular purpose intended by PTI and its customer; (iv) will be of merchantable quality and free from defects in material, workmanship and design.

13.2 Upon, and only upon, PTI's written request, Supplier shall promptly replace or adjust nonconforming or defective Goods free of charge or, at PTI's option, compensate PTI for the value of these Goods or the cost for correction of defects. Supplier shall pay PTI all costs, losses or damages, including all incidental or consequential damages incurred by PTI, arising out of Supplier's delivery of such nonconforming or defective Goods, including without limitation, all cost of inspection and any costs required to be paid to or on behalf of PTI's customers.

13.3 PTI may resolve any alleged warranty claim, correct allegedly defective Goods at the Supplier's expense and/or replace such Goods at Supplier's cost, all without Supplier's approval.

13.4 If inspection by PTI of all delivered Goods is affected after discovery of defective Goods, the Supplier shall reimburse PTI the cost of such inspection.

13.5 Supplier shall reimburse PTI its freight costs for the delivery of any defective Goods and, if returned to the Supplier, the return freight, including any extra costs for urgent delivery.

13.6 Inspection, test, acceptance or use of the Goods or services furnished hereunder shall not affect the Supplier's obligation under this warranty and such warranties shall survive inspection, testing, acceptance and use.

13.7 Should a hidden defect be subsequently discovered in any Goods which were delivered within the warranty period, the Supplier will be responsible hereunder as though discovered and properly claimed during the warranty period.

13.8 This warranty shall be valid for a period of fifteen (15) years calculated from the later of the date when the Goods are incorporated or the Goods themselves are delivered to the end customer.

13.9 Supplier's warranty shall survive PTI's acceptance of any Goods and shall run to PTI, its successors, assigns and customer's and users of Goods sold by PTI.

14. INDEMNITY

14.1 Supplier agrees to indemnify, defend and hold harmless PTI, its agents representatives, owners, managers, officers, directors, successors, assigns, customers, agents and employees from and against any and all damages (including incidental and consequential damages), claims, suits, judgments, demands and costs, including, but not limited to, all legal expenses and attorney fees, whatsoever arising out of or relating in any way to any real, purported or alleged; (i) defects or negligence or defect in the design, manufacture, shipping or handling of the Goods to be provided pursuant to the Order, (ii) inadequate warnings related thereto; (iii) infringement of patent or copyright or unfair trade practice with regard to the Goods or services or any component thereof; (iv) any environmental liability arising out of any violation of any environmental rule, law, or other regulation ("Environmental Law"); (v) breach of warranty or other terms of the Order; (vi) strict liability claims; and/or (vii) any act or omission of Supplier, its agents, employees or subcontractors. This indemnity is in addition to any warranty obligations of Supplier.

15. LIABILITY AND INSURANCE

15.1 Seller shall defend and indemnify PTI against all liabilities, claims or demands for injuries to any person or property arising out of the performance of an Order, by Seller, its servants, contractors, agents, or representatives or from the storage or use of the Goods. The Seller will maintain, at a minimum and at its own expense, commercial general liability insurance, including premises-operations, products, contractual liability and workers' compensation at statutory limits for the jurisdiction in which the work is performed. Upon request from PTI, Seller shall furnish to PTI, a Certificate of Insurance completed by its insurance carrier(s) certifying the insurance coverage in effect and that such insurance will not be canceled or materially changed until 30 days after prior written notice has been delivered to PTI. The purchase of such insurance coverage or the furnishing of a certificate shall not be a satisfaction of Seller's liability hereunder, or in anyway modify Seller's obligation to indemnify PTI.

16. DELIVERIES

16.1 Time is of the essence in the Order. Deliveries are to be made strictly in accordance with delivery schedules issued by PTI. If delivery is not completed pursuant to PTI's schedule, PTI, in addition to its other rights and remedies hereunder: (i) can take such actions as it deems necessary to meet such schedules, including expedited shipping and routing, and (ii) can declare Supplier in default hereof and exercise its remedies hereunder or under applicable law. The Supplier shall immediately report any event, occurred or expected, which may reasonably affect delivery.

16.2 Quantities that are delivered to PTI in excess of PTI's request may be returned to Supplier at Supplier's expense. PTI accepts no liability for such Goods.

16.3 Supplier will be liable for any extra freight costs resulting from shipping in a more expensive manner than specified herein or in the Order necessary to comply with PTI delivery schedule.

16.4 Supplier will be liable to PTI for losses, damages and/or costs of PTI, its direct and indirect customers, arising out of any failure to supply in the amounts and at the dates set forth in any Order, including without limitation excess scrap, shutdown costs, overtime expenses, premium freight and extra operational expenses.

16.5 Supplier shall not ship any Goods except as are expressly authorized to be shipped by the Order. Goods which have been delivered in excess of PTI's written request can be returned, shipping charges collect, to the Supplier at its expense or, at PTI's option and at Supplier's risk and cost, held by PTI in storage until the next scheduled deliver date, with payment withheld accordingly.

16.6 Except to the extent this Order expressly provides for a specific quantity of Goods to be manufactured and shipped, this Order is a requirements contract and Supplier is required to supply PTI with PTI's requirements, as ordered from time to time by PTI. PTI has no obligation to

purchase any amount of Goods and there is no minimum order amount or price. No projections or estimates given by PTI shall constitute a commitment or obligation to purchase any specified amount and PTI makes no such representation. Supplier agrees to continue to supply as set forth in PTI's Orders and releases until this Order is otherwise terminated by PTI.

17. PROPRIETY INFORMATION

17.1 Design, samples, drawings, specifications, schedules or any other information supplied by PTI ("Confidential Information") are propriety and confidential and shall not be disclosed to any person or entity and shall not be used for any purpose other than the fulfillment of the Order.

17.2 The Supplier must not, without PTI's prior written consent in each instance, advertise or in any other way publish or disclose Confidential Information or the fact that Supplier supplies or has made an agreement to supply to PTI.

17.3 Supplier agrees to return, after complete delivery of all Orders, or earlier immediately upon PTI's request, all Confidential Information and all copies thereof. Copies of Confidential Information may only be made upon PTI's written consent in each instance.

17.4 Except as agreed to in writing by PTI, no information disclosed to PTI from Supplier shall be deemed to be confidential or proprietary information.

18. PAYMENT

18.1 The payment term is calculated from the later date of the arrival of the invoice at PTI or the arrival of the Goods at PTI.

18.2 Unless otherwise stated, all prices include packaging and insurance.

18.3 This Agreement and any Order issued hereunder includes and PTI retains any and all custom duty drawback rights (by substitution or otherwise) which are transferable from Supplier to PTI. Supplier shall timely inform PTI of any such rights and supply PTI with all documents required for PTI to obtain such drawback.

18.4 Unless the face of PTI's order form expressly states otherwise, payment terms are net 60 days.

19. INTELLECTUAL PROPERTY

19.1 Supplier warrants and guarantees that the manufacture, use and/or sale of the Goods does not infringe any copyright, patent or any intellectual or proprietary rights of another nor does it constitute unfair competition resulting from similarity in design, trademark or appearance.

19.2 Supplier shall indemnify, protect and hold PTI, its agents, customers or other suppliers harmless against any claims, losses, profits, royalties, damages and expenses, including actual attorney fees, which may arise out of any claim of infringement or unfair competition or otherwise based on the above, including any settlement thereof. PTI may be represented and actively participate in any suit or proceeding arising out of any such claim and Supplier shall pay all costs of such representation. If the sale or use of the Goods is enjoined or PTI reasonably believes it will be, Supplier shall immediately procure a royalty-free right for PTI, its customers, successors and assigns, to continue manufacturing, selling and using the Goods, in addition to all of Supplier's other obligations hereunder.

19.3 Supplier grants PTI, its customers, successors and assigns, a nonexclusive, royalty-free license to repair, replace, cover, rebuild, service and relocate the Goods and to use all copyrighted or otherwise protected property of Supplier which relate to the Goods.

20. FORCE MAJEURE

20.1 PTI may delay delivery acceptance under any Order occasioned by causes beyond its control, including, but not limited to, industrial disputes, strikes, lockouts, riots, mobs, fires, floods, wars, embargo, or by reason of regulations, orders or omissions of any government agency.

20.2 Should such delays extend beyond six months due to any of these circumstances, and then PTI may cancel the respective portion of any order for deliveries so delayed and unexecuted without incurring any liability under the Order or to Supplier.

21. PTI PROPERTY

21.1 PTI Property is defined herein as all tools, supplies, jigs, fixtures, forms, gauges, inspection equipment, templates and like items, together with all accessories or replacements which are (i) manufactured by PTI for the production or quality control of Goods; (ii) provided to or by PTI, directly or indirectly; (iii) paid for in part or in whole by PTI; (iv) in any other way financed or reimbursed by PTI; or (v) to be so paid, financed or reimbursed by PTI. All PTI Property is the sole property of PTI or PTI's customer, as the case may be, and is freely at the disposal of PTI and shall be held by Supplier on a bailment basis and will be marked conspicuously accordingly. PTI Property shall be kept separate and used exclusively for production in accordance with accepted Orders for PTI upon PTI's request and shall not be used for any other party other than PTI.

21.2 Supplier shall, at its own cost (i) bear all risk of loss and damage to all PTI Property; (ii) safeguard, store and maintain the PTI Property in first class condition; (iii) replace worn PTI Property to extent necessary to produce acceptable parts, in PTI's sole judgment, and (iv) maintain and provide PTI with proof of insurance on the PTI Property and any replacements or modifications thereof in an amount equal to its replacement cost, with PTI or its designee as additional insured and the sole loss payee.

21.3 PTI Property must not be improved, repaired, altered or scrapped, shall not be commingled with Supplier's or anyone else's property and shall not be removed from Supplier's physical possession without PTI's prior written approval. PTI shall have the right to enter Supplier's property at all reasonable times to inspect and audit PTI Property and all records regarding them. All replacements of, modifications or attachments to, PTI Property shall belong to PTI.

21.4 All PTI Property shall be deemed personal and shall be kept free and clear of all claims, liens, mechanics liens or any other rights or interests of Supplier or any third party.

21.5 Immediately upon completion of the Order, or upon 24 hours written notice by PTI, Supplier shall properly pack mark and ready any PTI Property for shipment and, at PTI's option, deliver it to any location requested by PTI. F.O.B. Supplier's plant or permit PTI on its premises to recover same.

21.6 In no event shall Supplier's obligation to return PTI Property to PTI or as directed by PTI be subject to any set off or counterclaim whatsoever.

21.7 PTI is granted the option to take possession of any property of Supplier that is used for the special production of the Goods upon payment to Supplier of the net book value thereof, less amounts PTI has paid for or has been allocated to the value thereof.

22. SET OFF

22.1 In addition to any rights of PTI under law or the Order, all claims for money due or to become due from PTI shall be subject to deduction or set off by PTI by reason of counterclaim arising out of this or any other transaction with Supplier or any affiliate of Supplier. All amounts due from PTI to Supplier or any affiliate of Supplier shall be net of any amounts due from PTI to Supplier or any affiliate of Supplier.

23. SEPARABILITY

23.1 In the event any clause or provision hereof should, under applicable local law, be held to be illegal and/or void, such clause or provision shall be considered separable and the remaining portion of these conditions shall continue in full force and effect. In such case, the parties hereto shall make every effort to make an agreement in lieu of the ineffective provision which will ensure the same or as approximate an effect as the one which has become ineffective.

24. GOVERNING LAW

24.1 The Order shall be governed by the law of the State of Michigan. All claims under the Order shall be brought in the state courts or federal courts of the State of Michigan located either in Macomb County, Michigan or, if in federal court, in the Eastern District of Michigan. All parties irrevocably stipulate to submit to the personal jurisdiction therein, waive all challenges to the personal jurisdiction thereof and agree not to assert any claim of forum non conveniens relating thereto.

25. OTHER COMPLIANCE

25.1 Supplier agrees that (1) in the manufacture and sale of Goods to PTI, Supplier shall comply with all applicable federal, state, and local laws, Executive Orders, and regulations thereunder, including without limitation, all orders and implementing rules relating to equal employment opportunity, veterans rights and jobs listing provisions, affirmative action, and the federal Occupational Safety and Health Act, (2) the Goods sold by Supplier to PTI shall conform to the requirements of such laws, orders and regulations and (3) the Order shall be deemed to incorporate by reference all the clauses required by the provisions of said laws, orders and regulations.

25.2 All materials used in manufacture shall satisfy current government and safety constraints on restricted, toxic and hazardous materials, as well as environmental, electrical and electromagnetic considerations applicable to the country of manufacture and sale.

25.3 Supplier shall have a process to assure that governmental and safety constraints on restricted, toxic and hazardous substance are complied with relative to the Goods and the manufacturing process.

25.4 All on-site work of Supplier shall be conducted in a manner which is protective of the environment. All Environmental Laws must be complied with. All waste materials must be properly disposed of. Any potential environmental impact must be fully disclosed to PTI in writing prior to the commencement of work and all methods that can provide proper protection and prevent violations or accidents must be incorporated in Supplier's work. Supplier must submit all records relating to all environmental impacts and compliance with all Environmental Laws as required by regulation, Environmental Law or by PTI.

25.5 Supplier warrants that the Goods will be made in compliance with the Fair Labor Standards Act, as amended.

25.6 Supplier conforms to the reporting requirements set forth in Dodd-Frank Act concerning conflict minerals.

26. INCONSISTENT AGREEMENTS

26.1 In the event of any conflict between this Agreement and any Order, the terms of the Order shall govern to the extent that such inconsistency cannot be reasonably construed as consistent.

Terms and Conditions Revisions

Revision Date	Section	Sub-Section	Paragraph	Revision	Authorized By
8/1/11	9 – Inspection, Testing, and Rejection	9.5	1	Added “and/or (iv) pay a \$150 administration fee for each such rejection.”	J Kaiser
11/19/12	Terms and Conditions Revisions	N/A	N/A	Added Terms and Conditions Revisions page.	N Barrie / C Share
3/5/13	4 – Termination For Cause	N/A	N/A	Added “For Cause” to section title.	J Kaiser
	6 – Amendments / Notices / Bulletins / MSDS	N/A	N/A	Added “MSDS” to section title	D Matthews
	6 – Amendments / Notices / Bulletins / MSDS	6.6	1	Added new sub-section.	D Matthews
	9 – Inspection, Testing, and Rejection	9.1	1	Reworded.	D Matthews
10/29/14	2 – Packing, Marking, and Shipping	2.6	1	Removed “and invoices”.	D Matthews
	2 – Packing, Marking, and Shipping	2.6	2	Moved from paragraph one to its own paragraph.	D Matthews
	6 – Amendments / Notices / Bulletins / IMDS	6.6	1	Changed MSDS to SDS. Added “each”. Removed “...and to submit updated...”	D Matthews
	9 – Inspection, Testing, and Rejection	9.1	1	Added “or manufacturing location”.	D Matthews
	25 – Other Compliance	25.6	1	New.	N Barrie

Supplier Acknowledgement

Supplier is deemed to have accepted all of the Terms and Conditions upon both signing below and returning a copy to PTI, or, at PTI's option, when it begins performance under this Order.

Please sign below and fax back to PTI at 586.203.4567 to the attention of the Purchasing Department or scan and return to kewis@teampati.com.

Agreed and Accepted:

Supplier Name: _____

By (signature): _____

Name and Title (printed): _____

Date: _____