



STANDARD TERMS AND CONDITIONS OF PURCHASE

1. REVOCATION AND EFFECT OF ORDER. This Order may be revoked at any time prior to HiTEM's receipt of written acceptance by Seller. To the extent that this Order might be treated as an acceptance of Seller's prior offer, such acceptance is expressly made on condition of assent by Seller to the terms hereof, and the shipment of the products covered by this Order ("Goods") by Seller shall constitute such assent.

2. DELIVERY. Time is of the essence in this Order. Delivery of the Goods shall be made pursuant to the schedule, via the carrier, and to the place specified on the face hereof unless changed by written instructions from HiTEM prior to shipment. Seller shall promptly inform HiTEM of any anticipated delay in shipment. HiTEM reserves the right to return, shipping charges collect, all Goods received more than three (3) business days in advance of the specified delivery date or after the specified delivery date. If this Order calls for delivery in installments and Seller fails to deliver an installment on the designated delivery date, HiTEM may decline to accept subsequent installments and terminate the balance of this Order.

3. SHIPPING INSTRUCTIONS. Unless otherwise specified on the face hereof, all Goods shall be packaged by Seller in suitable containers to permit safe transportation and handling. Each delivered container must be labeled and marked to identify contents without opening, and all boxes and packages must contain packing sheets listing contents. HiTEM's purchase order number, as well as HiTEM's part number(s), must appear on all shipping containers, packing sheets, delivery tickets, and bills of lading. All Goods shall be shipped on carriers certified compliant with C-TPAT (Customs-Trade Partnership Against Terrorism).

4. TITLE AND RISK OF LOSS. Unless otherwise specified on this Order, Goods shall be delivered to HiTEM's location designated on the face of the purchase order, at which time title and risk of loss on the Goods shall pass to HiTEM. If any of the ordered Goods are destroyed prior to the time risk of loss passes to HiTEM, HiTEM may cancel this Order as to the destroyed Goods or require the prompt delivery of substitute Goods of equal quantity and quality.

5. PRICE AND PAYMENT. The price paid by HiTEM for the Goods shall be that stated on the face hereof. Payment terms shall be net thirty (30) days from HiTEM's receipt of Goods unless otherwise specified on the face hereof. Seller invoices must list only one HiTEM item number and one HiTEM purchase order number, unless they are for MRO items or bin stocking programs. Seller may issue to HiTEM multiple invoices for a single purchase order if the Seller has split shipments at various delivery dates for a single item. Unless otherwise specified on the face hereof, the price of the Goods includes all shipping charges, taxes, VAT, duties and packaging. Personal property taxes assessable upon the Goods prior to the receipt by HiTEM shall be borne by Seller.

6. INSPECTION. HiTEM shall have thirty (30) days from the date of receipt of the Goods for inspection and acceptance testing. Any Goods not rejected during that 30-day period shall be deemed accepted.



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7. WARRANTIES. Seller warrants to HiTEM and its customers that the Goods shall be free of liens, new and unused, and perform in accordance with their published specifications and be free from defects in materials, workmanship and design for a period of two years from HiTEM's receipt of such Goods. Goods not meeting this warranty may be returned to Seller for credit or replacement, and Seller will be responsible for governmental fines levied for failure to meet Seller's environmental specifications. Should Goods shipped in any 90-day period to HiTEM or should all Goods received by HiTEM experience a failure rate of more than 3% from the same defect or more than 5% from cumulative defects during the warranty period, Seller will be responsible for all reasonable costs incurred in rectifying such failures, including testing and field-recovery costs. Seller is responsible for immediately notifying HiTEM of any non-conformances that may affect the product that are discovered after delivery of the product to the Buyer. Items failing to conform to all applicable drawings, specifications, and/or other Purchase Order requirements shall not be delivered to HiTEM without documented written approval from HiTEM Quality Assurance. HiTEM reserves right of entry to Supplier's facility and any applicable sub-tier supplier facilities for the purpose of verifying compliance with all requirements of this order. HiTEM and any customer or their representative shall have the right to perform in-process inspections, audits and system surveillance as part of the verification process. Supplier shall provide suitable facilities to perform these verifications to HiTEM and any customer or their representative at no cost to HiTEM.

8. ITEMS FURNISHED BY HITEM. Unless otherwise specified by HiTEM in writing, all designs, tools, patterns, drawings, data, materials, and equipment supplied or paid for by HiTEM to Seller shall remain the property of HiTEM, shall be used only for making the Goods for HiTEM, shall be insured by Seller at replacement value, and shall be returned to HiTEM in good condition upon completion of this Order. Seller assumes all responsibility for the accuracy of tooling used in the production of the Goods, whether such tooling is fabricated by Seller or furnished by HiTEM.

9. INDEMNITY. Seller agrees to indemnify, defend and hold HiTEM and its customers harmless from all costs, losses, penalties, fines, liabilities and damages arising from third-party claims alleging (a) infringement by the Goods of intellectual property or proprietary rights, (b) personal injury or property damage caused by the Goods, (c) defects in the Goods which amount to a breach of Seller's warranties in Section 7, or (d) breach of Section 15.

10. CHANGES. HiTEM may, by purchase order amendment issued to Seller, change (a) the method of shipment or packing, (b) the drawings, designs, or specifications, (c) the place of delivery, or (d) the shipment date. Seller shall promptly inform HiTEM of any modifications to the delivery schedule necessitated by the changes. Within 3 days from receipt of a purchase order amendment, Seller shall notify HiTEM in writing of any increase or decrease in the cost of performance caused by a purchase order amendment and provide supporting documentation. HiTEM shall make an equitable adjustment in the



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Order to reflect valid cost variances by the requested HiTEM changes. Seller shall advise HiTEM in writing of any foreseeable part shortages, and shall advise HiTEM in writing 6 months in advance of obsolescence and/or end-of-life situations that could prevent Seller from supporting HiTEM ability to order Goods.

11. TERMINATION AND REMEDIES. HiTEM may terminate this Order in whole or in part at any time by written notice to Seller, even Goods designated as non-cancelable/non-returnable. Seller will thereupon immediately (a) stop work on the cancelled Goods (b) notify its subcontractors to do likewise, (c) cancel orders for components for the cancelled Goods, (d) return unneeded components for cancelled Goods to their suppliers or divert such components to jobs for other customers, and (e) broker un-returnable, un-needed components for cancelled Goods. Seller shall not be entitled to compensation for cancelled non-custom Goods. Except for termination due to default or delay of Seller, Seller shall be entitled to compensation for cancelled custom Goods and custom components thereof on hand at the termination date as follows. HiTEM will purchase finished Goods at the Order price, work-in-process at a reasonable pro-rata percentage of the finished Goods Order price based on the percentage of completion, and custom components for the cancelled Goods, which Seller properly ordered and was not able to cancel, sell, or broker using diligent efforts within 90 days after cancellation, at Seller's cost for such custom components. HiTEM shall also pay any cancellation or restocking fees incurred in the return of components for the cancelled Goods. The total paid by HiTEM for such cancellation shall not exceed the price on the Order for the cancelled Goods. In the event that HiTEM breaches its obligations under this Order, including without limitation wrongful rejection of Goods, Seller's exclusive remedy shall be to receive damages for the Goods in question as if such Goods were cancelled, computed in the manner set forth in this section. In no event shall Seller be entitled to incidental, consequential, special, or punitive STANDARD TERMS AND CONDITIONS OF PURCHASE Rev. A (3/08) damages for HiTEM's breach of the terms and conditions of this Order.

12. WAIVER. No claim or right arising out of the breach of this Order by Seller can be discharged by a waiver of the claim or right by HiTEM unless the waiver is supported by consideration and is in writing signed by HiTEM.

13. ASSIGNMENT. Seller shall not assign its rights or obligations under this Order without the advance written permission of HiTEM. HiTEM may assign its rights under this Order to a subsidiary or affiliate upon written notice to Seller.

14. CONFIDENTIALITY. Seller shall not, without first obtaining HiTEM's written permission, advertise, publish, or disclose the terms, details, or specifications of this Order, the amount of revenue generated or to be generated from this Order, or the fact that it has furnished or has contracted to furnish HiTEM with the Goods.

15. COMPLIANCE WITH LAWS. Seller shall comply with all applicable laws concerning the manufacture and distribution of Goods, and shall ensure that its activities



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in performance of this agreement shall not cause HiTEM to be in violation of any laws, including without limitation import or export laws, security requirements, materials content, packaging regulations, Social Responsibility code of conduct requirements, environmental regulations, and any applicable Supply Chain security guidelines such as C-TPAT, of the countries in which HiTEM conducts business.

Packaging: Seller shall comply with packaging regulations of destination countries including, but not limited to, ISPM 15 “Requirements of Wood Packaging Materials.”

Social Responsibility: Seller agrees to comply with the Electronic Industry Code of Conduct (“EICC”) found at <http://www.eicc.info/>. Upon request, Seller shall submit proof of compliance to the EICC requirement through submission of a Self Assessment Questionnaire administered by either a 3rd party affiliated with the EICC organization or HiTEM. HiTEM shall be entitled, by itself or through a nominated auditor, to audit Seller, after reasonable written notice, in order to confirm the Seller’s compliance with the EICC.

Environmental: Seller expressly warrants that, unless otherwise specifically noted by HiTEM, all Goods shall comply with all applicable hazardous substance content regulations including, but not limited to, the EU directive on the restriction of the use of certain hazardous substances in electrical and electronics equipment, Directive 2002/95/EC (“RoHS”). Seller shall deliver a certificate of compliance for such regulations prior to initiation of product shipments and Seller may be required, at HiTEM discretion, to deliver a certificate of compliance with each product shipment. If requested by HiTEM, Seller agrees to provide evidence of compliance, which may include but is not limited to test results, test verification and lab reports. Such evidence shall be retained by Seller to be made available to HiTEM on request, for a minimum of four (4) years from date of test. Seller shall defend, indemnify and hold HiTEM harmless from and against the payment of damages, costs, expenses, liabilities and settlement amounts incurred in conjunction with any suit, claim or action by any third party arising from any breach of supplier’s obligations or performance to compliance thereof.

16 DISPUTE RESOLUTION. Any dispute arising out of or relating to this Order shall be settled by binding arbitration under the applicable rules and procedures of the arbitration bodies listed as follows. For any HiTEM buying entity incorporated in the United States, California laws apply and disputes will be settled before the Judicial Arbiter Group, Inc. (“JAG”), with mandatory venue in San Diego, California. For any HiTEM buying entity incorporated in the European Union, the laws of England apply and disputes will be settled before the London Court of International Arbitration (“LCIA”), with mandatory venue in London. For any HiTEM buying entity incorporated in China, the laws of the People’s Republic of China apply and disputes will be settled before the China International Economic and Trade Arbitration Commission (“CIETAC”), with mandatory venue in Beijing. For any HiTEM buying entity incorporated in North Asia (excluding China), the laws of the Special Administrative Region of Hong Kong apply and disputes will be settled before The Hong Kong International Arbitration Centre



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("HKIAC"), with mandatory venue in Hong Kong. For any HiTEM buying entity incorporated in South Asia or South East Asia, Singapore laws apply and disputes will be settled before The Singapore International Arbitration Centre ("SIAC"), with mandatory venue in Singapore. The parties hereby knowingly and voluntarily, and having had an opportunity to consult with counsel, waive all rights to trial by jury.

17. INTENDED BENEFICIARIES. Seller agrees that HiTEM customers are intended beneficiaries of Sections 7 (WARRANTIES), 9 (INDEMNITY), 15 (COMPLIANCE WITH LAW). Seller further agrees that any intended beneficiaries identified in this Agreement are creditor beneficiaries.

18. INTERPRETATION. This Order, including the provisions on its face and these terms and conditions, contains the entire agreement between the parties concerning the purchase and sale of the Goods. Except to the extent HiTEM has relied upon statements and writings of Seller and Seller's agents, there are no oral understandings, representations, or agreements relative to this Order which are not fully expressed herein. Subject to the provisions hereof, this Order shall be construed and governed by the laws of the State of Colorado, excluding those portions relating to conflicts of laws. The United National Convention on Contracts for the International Sale of Goods shall not apply. Unless a general business agreement (or other similar written agreement) is in place between Buyer and Seller, by accepting this purchase order, Seller warrants that Seller is familiar with and agrees to be bound by the above HiTEM's standard terms and conditions of sale, which can also be found at the following website:

<http://www.HiTEM.com/>

19. REQUIREMENT FOR SUPPLIER PERSONNEL AWARENESS: 1-Their contribution to product or service conformity 2-Their contribution to product safety 3-The Importance of ethical behavior.

20. QUALITY CLAUSES APPLY: Please reference F00222 for our Purchasing Quality Clauses.