

ELECTRO-MATIC PRODUCTS, INC.
TERMS AND CONDITIONS

1. **ACCEPTANCE:** This purchase order (this "Agreement" or "purchase order") constitutes an offer by Buyer to purchase the goods and/or services described on the reverse side hereof (the "Goods" or the "Services"). For purposes herein, "Seller" shall mean a wholly-owned subsidiary of Electro-Matic Ventures, Inc. SELLER'S ACCEPTANCE OF THIS OFFER IS LIMITED TO THE EXPRESS TERMS AND CONDITIONS OF THIS AGREEMENT. ANY ADDITIONAL AND/OR DIFFERENT TERMS, WHETHER CONTAINED IN SELLER'S FORMS (EVEN IF SIGNED BY BUYER) OR OTHERWISE PRESENTED BY SELLER, ARE REJECTED UNLESS EXPRESSLY AGREED TO IN WRITING VIA A WRITTEN PURCHASE ORDER OR CHANGE ORDER ISSUED BY BUYER. Seller shall be deemed to have accepted the offer upon its written acceptance of, or its commencement of performance under, this Agreement.

2. **PACKING LIST REQUIREMENTS:** Seller shall comply with the following packing list requirements: (a) packing lists must accompany all orders shipped to Buyer; (b) packing lists shall contain, without limitation, the following information: Seller's name, Buyer's purchase order number, Buyer's part number (as indicated on the reverse side hereof), Seller's part number, and the description and quantity of the Goods shipped; (c) the Goods shipped must appear on the packing list in the same order as they appear on Buyer's purchase order; (d) a separate packing list is to be used for each package and purchase order; and (e) where it is not conducive to pack all of the Goods ordered under a purchase order in one shipping container, the packing list shall: (i) identify, by type, the number of Goods included in the container and the total quantity of such Goods ordered (e.g., X of Y quantities of Good A) and (ii) list the package number and total number of packages in the shipment (e.g., package X out of Y packages).

3. **PACKING AND LABELING REQUIREMENTS:** Seller shall pack and mark the Goods according to Buyer's instructions, which include, without limitation, the following: (a) attachment of a Buyer-approved label to each package, which shall include, without limitation, the following information: Buyer's purchase order number, the dock number, and a description of the Goods enclosed; (b) marking of each package with special handling instructions, if any; (c) specifically labeling each package and shipment containing hazardous material; and (d) consecutively numbering each package in a shipment in the following format: X out of Y packages. In addition to other information specified by Buyer, Seller also agrees to list Buyer's purchase order number on all invoices, bills of lading, and shipping orders.

4. **DELIVERY:** Seller shall comply with the delivery requirements stated on the reverse side hereof and as follows: (a) Seller shall deliver the Goods to Buyer's offices and/or warehouses in Farmington Hills, Michigan (as directed by Buyer) or to such other location as Buyer may designate; (b) Seller will retain the risk of loss on all Goods until actually accepted by Buyer; (c) orders shall be delivered complete as ordered; (d) the Goods must arrive by the required delivery date unless otherwise instructed by Buyer; (e) Seller shall pay the costs incurred in connection with the shipments to Buyer under the terms of this Agreement; and (f) deliveries shall be made during the hours directed by Buyer. In addition, Seller shall meet carrier requirements and assure delivery of the Goods free of damage and deterioration.

5. **PRICING AND PAYMENT TERMS:**

(a) **Pricing.** The prices of the Goods and/or Services stated on the reverse side hereof are firm and not subject to change without Buyer's prior written approval (as evidenced by an authorized amendment to this Agreement); provided, however, that if Seller reduces its prices for the Goods and/or Services prior to the payment due date, Seller will immediately reduce the prices to Buyer for such Goods and/or Services. Seller warrants that the prices stated on the reverse side of this Agreement are complete and that no additional charges, including, without limitation, charges for boxing, packing, or cartage, will be added.

(b) **Payment.** Buyer will pay for conforming Goods and/or Services within sixty (60) days from the date of Buyer's receipt of Seller's invoice for same, unless otherwise expressly stated on the reverse side hereof.

6. **CHANGE ORDERS:** Buyer reserves the right to make changes, at any time and of any kind, to this Agreement. Any changes shall be effected by a written change order.

7. **TERMINATION AT BUYER'S OPTION:** Buyer may terminate this Agreement at any time without cause, in whole or in part, by written notice to Seller. Upon receipt of such notice, Seller shall, to the extent and on the date specified in such notice (the "Termination Date"), terminate all orders and subcontracts and all Services that relate to the terminated Agreement. Within sixty (60) days after the Termination Date, Buyer shall pay to Seller the following amounts as full and complete settlement of all claims of Seller with respect to the terminated Agreement:

(a) With regard to all Goods, other than Specially-Manufactured Goods (as defined in subsection (b) below), Buyer will pay to Seller the price of all such conforming Goods accepted by Buyer as of the Termination Date.

(b) Buyer will pay to Seller the price of all Specially-Manufactured Goods, which are finished and accepted by Buyer, as well as the documented costs to Seller of the work in progress and raw materials allocable to the Specially-Manufactured Goods which are not in excess of any prior Buyer authorization. Upon payment to Seller hereunder, title to: (i) all finished Specially-Manufactured Goods accepted by Buyer, (ii) work in progress and raw materials allocable to the Specially-Manufactured Goods, and (iii) plans, drawings, specifications, information, special tooling, and other things relating to the Specially-Manufactured Goods or work in progress allocable to the Specially-Manufactured Goods, for which Seller previously paid, shall vest in Buyer. "Specially-Manufactured Goods," as used herein, means those Goods, which are specially manufactured by Seller based upon information, drawings, specifications, or other data furnished to Seller by Buyer or prepared by Seller (alone or in conjunction with Buyer and/or others) specifically for the manufacture of such Goods.

(c) As compensation to Seller for conforming Services performed through the Termination Date, Buyer shall pay to Seller an amount equal to the percentage of the conforming Services completed on the Termination Date multiplied by the total price of the Services under this Agreement. Buyer shall determine the percentage of conforming Services completed on the Termination Date, and Buyer's determination as to such percentage shall be final.

Payment made under this Section shall not apply to any cancellation by Buyer due to Seller's default hereunder or for any other reason recognized by law or specified in this Agreement.

8. **CANCELLATION BY BUYER AND OTHER REMEDIES IN EVENT OF SELLER'S DEFAULT:** Buyer reserves the right, by written notice of default, to cancel this Agreement, in whole or in part, without liability to Buyer (except for payment of the conforming Goods and Services delivered and accepted to date), in the event of the happening of any of the following: insolvency of Seller, the filing of an involuntary petition to have Seller declared bankrupt, the appointment of a Receiver or Trustee for Seller, the execution by Seller of an assignment for the benefit of creditors, or the merger of Seller into another company. If Seller fails to perform as specified in this Agreement, or if Seller breaches any of the terms of this Agreement, Buyer reserves the right, without any liability to Buyer (except for payment of the conforming Goods and Services delivered and accepted to date), upon giving Seller written notice, to: (i) cancel this Agreement in whole or in part by written notice to Seller, and Seller shall be liable to Buyer for all damages, losses and liability incurred by Buyer directly or indirectly resulting from Seller's breach, (ii) obtain the Goods or Services ordered under this Agreement from another source with any excess costs resulting therefrom, including, without limitation, costs incurred to expedite the replacement order to meet delivery dates, chargeable to Seller, and (iii) correct non-conforming Goods and Services and charge Seller for the full cost of such correction on an expedited basis to meet delivery dates. The rights and remedies contained in this Section shall be cumulative and in addition to any other rights and remedies Buyer may have, as set forth in this Agreement and as provided by law or in equity.

9. **ADDITIONAL REMEDIES:** In addition to any other rights or remedies Buyer may have, Buyer shall have the following rights and remedies:

(a) **Non-Conforming Goods.** Buyer shall hold non-conforming Goods in accordance with Seller's instructions, at Seller's risk. If Seller fails to provide written instructions within seven (7) days after notice of non-conformity, or such shorter period of time as may be commercially reasonable under the circumstances, Buyer may charge Seller for storage and handling, and may dispose of the non-conforming Goods in any commercially reasonable manner. Seller shall be responsible for all costs associated with the removal of the non-conforming Goods. Any proceeds received by Buyer from the disposition of non-conforming Goods shall be applied first to Buyer's costs of storage, handling, and selling of the non-conforming Goods and, then, otherwise remitted to Seller.

(b) **Premium Shipments/Performances.** If Seller defaults in meeting the deadlines of this Agreement, Buyer may demand, and Seller shall provide at its sole cost, an expeditious shipment of the Goods and/or an expeditious performance of the Services.

(c) **Set-Off.** In addition to any right of set-off provided by law, Buyer may at any time and without notice deduct or set off Seller's claims for money due or to become due from Buyer against any claims that Buyer has or may have arising out of this Agreement or any other transaction between Buyer or any of its subsidiaries or affiliates and Seller.

10. **FORCE MAJEURE:** Neither party shall be liable for defaults or delays due to Acts of God or the public enemy, acts or demands of any Government or Governmental agency, strikes, fires, floods, accidents, or other unforeseeable causes beyond its control and not due to its fault or negligence. Each party shall notify the other in writing of the cause of such delay within five (5) days after the beginning thereof.

11. **AGREEMENTS OF SELLER:** Seller hereby agrees that:

(a) The Specially-Manufactured Goods will conform to the plans, drawings, and specifications for such Goods, be merchantable, free of defect in material and workmanship, and fit for their particular purpose.

(b) The Services and Incidental Services (as defined below) will be performed by trained and licensed professionals (if licensure is required by law), conform to Buyer's specifications, and be free of defect. "Incidental Services," as used in this Agreement, means those services to be performed by Seller at no additional charge, which are incidental to the Goods and/or Services covered by this Agreement and not specifically listed as Services on the reverse side hereof.

(c) Seller will not, without Buyer's prior written consent, use the name, trademarks, or other identifying marks of Buyer.

(d) Seller shall handle and be responsible for each and every claim that arises from Seller's work on the premises of Buyer or Buyer's customers, or at Buyer's option, provide reasonable assistance to Buyer in Buyer's handling of such claims.

12. **INSPECTION & TESTS:** All Goods and Services will be subject to inspection and/or test (as the case may be) by Buyer to the extent practicable at all times and places, including the period of manufacture, and in any event, prior to acceptance. Seller agrees to permit access to Seller's facilities, at all reasonable times, to Buyer and Buyer's agents and employees for inspection of the Goods and Services. Seller further agrees to provide all tools, facilities, and assistance reasonably necessary for such inspection at no additional cost to Buyer. It is expressly agreed that inspections and/or payments prior to inspections, delivery, or their due dates will not constitute final acceptance.

13. **BUYER'S PROPERTY:** Title to and the right of immediate possession of any property, including without limitation, plans, drawings, patterns, tools, supplies, equipment, or material furnished or paid for by Buyer shall remain in Buyer. No articles made therefrom shall be returned by Seller to any other party without Buyer's prior consent. Seller shall keep adequate records of such property, which shall be made available to Buyer upon request, and shall store, protect, preserve, repair and maintain such property in accordance with sound industrial practice, all at Seller's expenses. Unless otherwise agreed to by Buyer, Seller shall insure Buyer's interest in such property against loss or damage by reason of fire (including extended coverage), riot or civil commotion. Copies of certificates of such insurance will be furnished to Buyer on demand.

14. **CONFIDENTIAL INFORMATION:** Seller shall keep confidential all confidential information of Buyer, including, without limitation, all information, drawings, specifications, patterns, plans, or data furnished by Buyer or prepared by Seller (alone or in conjunction with Buyer and/or others) specifically in connection with the performance of this Agreement (the "Confidential Information"). Seller shall not: (i) divulge or use the Confidential Information for the benefit of itself or any other party, (ii) not make copies of the Confidential Information, or permit copies to be made, without Buyer's prior written consent, or (iii) use, either directly or indirectly, the Confidential Information or any data or any information derived therefrom for any purpose other than to perform this Agreement without obtaining Buyer's prior written consent. All Confidential Information, and any copies thereof, shall be returned to Buyer: (i) with Seller's last invoice, (ii) upon the termination of this Agreement, or (iii) upon Buyer's request. Seller acknowledges that the Confidential Information may be covered by one or more patents, patent applications, or copyrights and that Seller shall obtain no rights in such intellectual property.

15. **INDEMNIFICATION:** Seller shall indemnify and hold Buyer and its customers harmless against any claims, damages, loss, costs or expenses, including attorneys' fees, or other liability of any nature incurred by reason of the sale of the Goods or the performance of the Services covered by this Agreement which may arise from actual or claimed infringement of any patent, trademark, copyright or other intellectual property rights, misappropriation of trade secrets or breach of confidential relationship. Seller shall further indemnify and hold Buyer and its customers harmless against any claims, damages, loss, costs or expense, including attorneys' fees, or other liability of any nature incurred by reason of Seller's breach of the terms and conditions of this Agreement and for injury or death of any person or loss or damage of any property allegedly or actually resulting from or arising out of any act, omission, or negligent work of Seller and/or its employees, contractors, or agents in connection with performing this Agreement.

16. **LIMIT ON SELLER'S DAMAGES:** BUYER SHALL, IN NO EVENT, HAVE ANY LIABILITY OR OBLIGATION FOR ANY DAMAGES SUFFERED BY SELLER IN EXCESS OF THE PRICE FOR THE GOODS OR SERVICES. IN ADDITION, BUYER SHALL HAVE NO LIABILITY FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSS OF ANY ANTICIPATED PROFIT, OR ANY INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY, OR NON-ECONOMIC DAMAGES.

17. **GOVERNMENT COMPLIANCE:** Seller shall comply with all applicable federal, state and local laws, ordinances, rules and regulations in connection with its performance of its obligations under this Agreement.

18. **NO IMPLIED WAIVER:** A party's failure to enforce any provision of this order shall not constitute a waiver of any rights or remedies the party may have with respect to the breach or any subsequent breach of the same or any other provision.

19. **ASSIGNMENT:** Seller may not assign any of its obligations under this Agreement without Buyer's prior written consent.

20. **RELATIONSHIP OF PARTIES:** Seller and Buyer are independent contracting parties. Nothing in this Agreement shall give either party the legal authority to act on behalf of the other for any purpose.

21. **NO PURCHASE MONEY SECURITY INTEREST:** It is expressly agreed and understood that Seller shall obtain no Purchase Money Security Interest in the Goods or in the products and proceeds thereof.

22. **GOVERNING LAW:** This Agreement shall be governed by Michigan law, including the Uniform Commercial Code as adopted in the state of Michigan.

23. **SEVERABILITY:** Any provision of this Agreement which is determined to be invalid or unenforceable shall not affect the remainder of this Agreement, which shall remain in effect, unless the removal of the invalid or unenforceable provision would substantially defeat the basic intent, purpose and spirit of this Agreement.

24. **ENTIRE AGREEMENT:** This Agreement, together with any attachments, schedules or supplementary materials specifically referred to in this Agreement, constitutes the entire agreement between Seller and Buyer with respect to this subject matter and supersedes all prior understandings and agreements. This Agreement may be amended only by a written purchase order or change order issued by Buyer.