

TERMS AND CONDITIONS OF PURCHASE

1. OFFER, ACCEPTANCE AND NOTIFICATION

These Purchase Order Terms and Conditions (“**Terms and Conditions**”), together with all documents specifically referenced herein (whether in writing or electronically), as those documents may be amended from time to time, are expressly incorporated into, and become a part of, all purchase orders of Kaeser Compressors, Inc. (“**Buyer**”) and together represent the entire agreement between Buyer and Seller (the “**Purchase Order**”) for the services provided, materials ordered or any related services (whether or not ancillary to a sale of goods) (collectively, the “**Goods/Services**”). These Terms and Conditions will apply to the Purchase Order except as expressly modified or waived on the face of the Purchase Order. Any references in the Purchase Order to Seller’s quotation or other form of offer for the Goods/Services is for information only and Buyer hereby rejects all terms and conditions proposed by Seller therein. Buyer may cancel at any time prior to acceptance by Seller. Seller’s written acknowledgement of the Purchase Order, commencement of work on the Goods/Services, or delivery of any Goods/Services hereunder will constitute its acceptance of the Purchase Order, including these Terms and Conditions. Without Buyer’s written consent, no additional or different terms proposed by Seller in its acknowledgement will be effective to modify the Purchase Order and Seller will be deemed to have accepted the Purchase Order without such modifications. The terms of the Purchase Order may not be varied or modified in any manner, unless in a subsequent writing signed by an authorized representative of Buyer. Additional or different terms or any attempt by Seller to vary in any degree any of the terms of the Purchase Order shall be deemed material and are expressly objected to and rejected. The Purchase Order shall be valid without signature if issued by an expressed authorized agent of Buyer through its computer system or other electronic means.

2. APPLICABLE LAW

The construction, interpretation and performance of this Purchase Order and all transactions thereunder shall be governed by the law of the Commonwealth of Virginia, without regard to principles of conflicts of law. THE UNITED NATIONS CONVENTION ON THE INTERNATIONAL SALE OF IS EXPRESSLY EXCLUDED. Seller consents to the exclusive jurisdiction of the appropriate commonwealth court in Spotsylvania County, Virginia or, if original jurisdiction can be established, in the United States District Court for the Eastern District of Virginia, for any legal or equitable action or proceeding arising out of, or in connection with, each Purchase Order. Seller specifically waives any and all objections to venue in such courts.

3. PRICE

The price for each item covered by the Purchase Order shall be the lower of the price shown on the face of the Purchase Order or the lowest price offered for the same items in comparable quantities to any of Seller’s customers. In no case shall the price be higher than the price quoted. Seller hereby acknowledges that no price increases will be granted by the Buyer. Seller warrants that the prices in the Purchase Order shall be complete, and no additional charges or any type shall be added without Buyer’s express written consent, including but not limited to, shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing and crating.

4. QUANTITIES AND DELIVERY SCHEDULES

Deliveries shall be made both in the quantities and at the times that are specified in the Purchase Order. The specified “due date” shall mean the date of delivery at Buyer’s facility. Time of delivery is of essence to the Purchase Order. Buyer requires 100% on-time delivery. Seller shall adhere to shipping directions specified on the Purchase Order. Buyer reserves the right to charge the Seller an administrative fee for all non-conforming shipments (late shipments, early shipments, incorrect quantities, etc.). The Goods/Services shall be properly packed, marked, loaded and shipped in accordance with shipping instructions specified herein and otherwise in accordance with the requirements of common carriers. Seller shall reimburse Buyer for all expenses incurred due to improper packing, marking, loading or routing. The risk of loss or damage in transit shall be upon Seller.

5. PREMIUM SHIPMENTS

Any expenses, including premium shipping expenses, necessary to meet the required delivery dates of Buyer or Buyer’s customers shall be Seller’s sole responsibility.

6. TERMINATION FOR CONVENIENCE

In addition to any other rights of Buyer to cancel or terminate the Purchase Order, Buyer may at its option, immediately terminate all or any part of the Purchase Order for Buyer’s convenience, at any time and for any or no reason by giving written notice to Seller. In the event of such termination, Seller shall stop all work in connection with this Purchase order, and shall forthwith cause all of its suppliers and subcontractors to cease work. As Buyer’s sole liability and Seller’s sole remedy for any such cancellation, Buyer will reimburse Seller

for the reasonable costs for any time and materials that have been committed against the canceled Purchase Order up through the date of cancellation, not to exceed the price of the applicable Goods/Services. Seller shall not be paid for any Goods/Services supplied or services performed after receipt of a notice of termination nor for any costs incurred by Seller's suppliers or subcontractors on or before the date of the notice of termination which could reasonably have been avoided, resold, salvaged or otherwise mitigated by Seller.

7. INSPECTION

Buyer may inspect the Goods/Services during any stage of their manufacture, construction, preparation, delivery or completion. Buyer and Buyer's customers shall have the right to enter onto Seller's premises at reasonable times to verify that the materials covered by this order conform to all specified requirements and Seller agrees to provide any and all supporting documentation required by Buyer or Buyer's customers in the course of such investigation. Notwithstanding payment or prior inspection, if any of the Goods/Services are found to be defective in material or workmanship or otherwise not in conformity with the requirements of this agreement, in addition to any other remedies that it may have, Buyer may at any time correct or have corrected the non-conformity at Seller's expense or reject and return the Goods/Services. Goods/Services rejected shall be removed by the Seller at its expense and at its risk. Any return shall be FCA US Shipping Point, transportation collect (declared at full value). The Seller shall have all risk of loss during shipment. Final acceptance shall not be conclusive with respect to latent defects or misrepresentations. Nothing in the Purchase Order shall relieve Seller from the obligation of testing, inspection and quality control. Goods/Services may be rejected by defects or defaults revealed by inspection, analysis or subsequent sale even though such items previously may have been accepted. Payment for Goods/Services shall not, in any case, be due until after Buyer's inspection and acceptance of the Goods/Services and services.

8. SHIPPING

Seller agrees (a) to properly pack, mark and ship Goods/Services in accordance with the requirements of Buyer and to involve carriers in a manner which secures the lowest transportation cost; (b) to route shipment in accordance with Buyer's instructions; (c) to comply with the requirements of common carriers (d) to make no charge for handling, packaging, storage, transportation or drayage of Goods/Services unless otherwise stated in the Purchase Order; (e) to provide with each shipment papers showing the purchase order number, amendment or release number, Buyer's part number, Seller's part number where applicable, chemical identification number if applicable, certificate of analysis for raw materials listing the product specification and test results, MSDS documentation if applicable, part description, date of manufacture, date of shipment, packing slip number, quantity in shipment, unit of measure, number of cartons or containers in shipment, Seller's name and number and the bill of lading number; and (f) to promptly forward this original bill of lading or other shipment receipt for each shipment in accordance with Buyer's instructions and carrier requirements. The marks on each package and identification of the Goods/Services on packing slips, bills of lading and invoices shall be sufficient to enable Buyer to easily identify the Goods/Services purchased. All pre-production shipments must be identified with the Buyer's approved pre-production shipping label. The Buyer's count or weight shall be final and conclusive on shipments not accompanied by packing slips.

9. NONCONFORMING GOODS

If Buyer rejects Goods/Services as nonconforming, the quantities under the Purchase Order will not be reduced by the quantity of nonconforming Goods/Services unless Buyer notifies Seller in writing. Seller will timely replace nonconforming Goods/Services with conforming Goods/Services unless Buyer notifies Seller in writing. The Seller shall be responsible for all costs and expenses incurred to replace nonconforming Goods/Services with conforming Goods/Services. Buyer will hold nonconforming Goods/Services for disposition in accordance with Seller's instructions at Seller's risk. Seller's failure to provide written instructions, within ten (10) days or such shorter period as may be commercially reasonable under the circumstances, after notice of nonconformity shall entitle Buyer, at Buyer's option, to charge Seller for storage and handling, or to dispose of the Goods/Services without liability to Seller. Upon the return of any nonconforming Goods/Services, Seller shall reimburse Buyer for 1) any amounts paid by Buyer to Seller for the nonconforming Goods/Services which have been returned, and 2) any costs or expenses incurred by Buyer as a result of the nonconformity, including, without limitation, costs of inspection, sorting, testing evaluations, storage, rework, etc., and 3) an administrative fee for the nonconforming Goods/Services. Payment for nonconforming Goods/Services shall not constitute an acceptance of the nonconforming Goods/Services, nor shall payment limit or impair Buyer's right to assert any legal or equitable remedy with respect to nonconforming Goods/Services. Payment shall also not relieve Seller of any responsibility for latent defects. Any rights and remedies contained in this Section 9 are in addition to any other rights and remedies pursuant to these Terms and Conditions any remedies available pursuant to law available to Buyer.

10. CHANGES

Buyer reserves the right at any time, by way of written notice, to make changes in quantities, drawings, specifications, testing or quality control, packing, shipment, scope of work, delivery schedules and other terms of the Purchase Order. Any difference in price or time for performance necessarily and reasonably resulting from such changes may be adjusted equitably and an amendment to the Purchase Order shall be provided in writing to reflect such adjustment if made; provided, that Seller makes written demand for such adjustment and delivers all supporting documentation to Buyer within ten (10) days of Seller's receipt of Buyer's notice of change. Time is of the essence for such demand. If Seller does not within ten (10) days of Seller's receipt of Buyer's notice of change provide written notice to Buyer that a requested change will result in a difference in price or time for performance, the parties agree that Buyer's requested change did not affect the price or time for performance. The price may be adjusted solely to compensate Seller for increased direct costs necessarily incurred as a result of the changes. Seller may not substitute materials or change the specifications of the Goods/Services in any way without written authorization from Buyer. Seller will not make any change in the quantities, drawings, specifications, testing or quality control, packing, shipment, scope of work, delivery schedules and other terms of the Purchase Order unless done pursuant to Buyer's instructions and with Buyer's written approval.

11. INVOICES

To ensure timely payments, invoices and/or advanced shipping notices ("**ASNs**") for shipment against the Purchase Order must reference: (a) Seller name; (b) purchase order number; (c) amendment or release number (if applicable); (d) Buyer's part number (if applicable); (e) Seller's part number if applicable; (f) quantity shipped or service duration; (g) unit price and extended price. Buyer reserves the right to return all invoices or related documents submitted incorrectly, and payment terms will be determined as of the date of the latest correct invoice or ASN received.

12. SETOFF

(a) Seller agrees that all its accounts with Buyer will be administered on a net settlement basis and that Buyer may set off and recoup debits and credits, including Buyer's attorney fees and costs of enforcement, against any of Seller's accounts regardless of basis for such debits or credits and without additional notice. In this Section 12, "**Buyer**" includes Buyer's parent, subsidiaries and affiliates, and "**Seller**" includes Seller's parent and subsidiaries.

(b) If an obligation of Seller or any of its subsidiaries or affiliates to Buyer or any of its subsidiaries or affiliates is disputed, contingent or unliquidated, Buyer or any of its subsidiaries or affiliates may defer payment of all or any portion of the amount due until such obligation is resolved. Without limiting the generality of the foregoing and by way of example only, in the event of a bankruptcy of Seller, if all of the Purchase Orders between Buyer and Seller have not been assumed, then Buyer may defer payment to Seller, via an administrative hold or otherwise, for Goods/Services against potential rejection and other damages.

13. WARRANTY

(a) Seller expressly warrants and represents to Buyer, Buyer's successors, assigns and customers that all Goods/Services shall be: (i) merchantable, safe and fit for the Buyer's intended purposes, which purposes have been communicated to Seller; (ii) free from failure for the period of Buyer's express warranty to its customer; (iii) free from all defects including but not limited to defects in design, workmanship and materials; (iv) in strict compliance with the specifications, samples, drawings, designs or other requirements (including performance specifications) approved or adopted by Buyer; (v) composed of all new components; (vi) free and clear of any liens, encumbrances and any actual or claimed patent, copyright, trade secret or trademark infringement; (vii) authorized for sale in the U.S.A.; and (viii) be manufactured in compliance with all applicable federal, state and local laws, regulations or orders, and agency or association standards or other standards applicable to the manufacture, labeling, transporting, licensing, approval or certification, including by way of illustration and not by way of limitation, the Occupational Health and Safety Act of 1971 as amended from time to time, the Fair Labor Standards Act, and any law or order pertaining to discrimination including any regulations in force in countries where the Goods/Services or Buyer's customer's vehicles equipped with the Goods/Services are to be sold. All services performed by Seller shall be performed in a competent, workmanlike manner and in accordance with industry standards. These warranties shall be in addition to all other warranties, express, implied or statutory. These warranties shall survive inspection, test, delivery, acceptance, use and payment by Buyer and shall inure to the benefit of Buyer, its successors, assigns, customers and the users of Buyer's products. Buyer's approval of Seller's design, material, process, drawing, specifications or the like shall not be construed to relieve Seller of the warranties set forth herein, nor shall a waiver by Buyer of any drawing or specification request for one or more articles constitute a waiver of any such requirements for the remaining articles to be delivered hereunder unless so stated by Buyer in writing.

Any attempt by Seller to limit, disclaim, or restrict any such warranties or any remedies of Buyer, by acknowledgment or otherwise, in accepting or performing the Purchase Order, shall be null, void, and ineffective without Buyer's prior written consent. All warranties and remedies provided herein are in addition to those provided by law.

(b) Seller will indemnify and hold Buyer harmless in respect of the cost of recall campaigns and other corrective service actions that, in Buyer's or Buyer's customers reasonable judgment, are required to rectify non-conformities in the Goods/Services that are the result of a breach of the foregoing warranty, whether such recall campaigns are mandated by any governmental entity or by the Buyer.

(c) Seller warrants that the net prices for Goods/Services supplied to Buyer hereunder are not and will not be less favorable than the net prices that Seller extends to any other customer for Goods/Services that are identical or substantially the same in similar quantities and on similar terms. If Seller charges any other purchaser a lower price than the price for goods similar to the Goods/Services, Seller must immediately apply the lower price to the applicable Goods/Services under any applicable Purchase Order, both retroactively and prospectively.

14. INDEMNIFICATION

To the fullest extent permitted by law, Seller agrees to indemnify, save harmless and defend Buyer and its affiliated companies, their directors, officers, employees, agents and customers ("Indemnitees") from and against any and all losses, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings, including without limitation all judgments rendered against, and all fines and penalties imposed upon, Indemnities and all attorney's fees and any other cost of litigation ("Liabilities") arising out of a breach hereof, warranty claims, product recall claims, product liability claims, intellectual property claims, injuries to persons, including death, or damage to property caused by Seller, its employees, agents, subcontractors, or in any way attributable to the performance of Seller, including without limitation, breach of contract, breach of warranty or product liability; provided, however, that Seller's obligation to indemnify Buyer shall not apply to any liabilities solely arising from Buyer's negligence. Seller waives the application of the doctrine of comparative negligence and other doctrines that may otherwise allocate the liability covered by Seller's indemnity.

15. WORK ON BUYER'S PREMISES

If Seller performs any work on Buyer's premises or utilizes the property of Buyer, whether on or off Buyer's premises, Seller shall indemnify, defend and hold Buyer harmless from and against any liabilities, claims, demands or expenses (including reasonable attorney fees) for damages to the property of or injuries (including death) to Buyer, its employees or any other person arising from or in connection with Seller's performance of work or use of Buyer's property except for such liability claim, or demands arising out of the sole negligence of Buyer.

16. REMEDIES

The remedies described in the Purchase Order will be cumulative and in addition to any other remedies provided in law or equity. Buyer is further entitled to all costs, including reasonable attorney's fees, incurred or necessitated in connection with any breach by Seller, and to all other rights provided for in these Terms and Conditions. Any attempt by Seller to limit Buyer's warranties, remedies or the amount and types of damages that Buyer may seek shall be null and void. SELLER AGREES THAT IN NO EVENT SHALL BUYER BE LIABLE TO SELLER FOR ANY INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, SELLER'S LOSS OF PROFITS.

17. TERMINATION FOR BREACH

(a) Buyer may cancel all or any part of the Purchase Order, without any liability of any nature to the Seller, in the event of any default by the Seller. In the event of a termination for default, Buyer shall have no obligation to the Seller. The following are causes, among others, allowing Buyer to terminate the Purchase Order: (i) Seller repudiates or breaches any of the terms of the Purchase Order, including Seller's warranties; (ii) late delivery; or (iii) delivery of Goods/Services that are defective or that do not conform to the Purchase Order. In the event of termination for cause, Buyer shall not be liable to Seller for any amount, and Seller shall be liable to Buyer for all damages, including attorney's fees and costs, sustained by reason of the default. This remedy is in addition to all others available to Buyer under these Terms and Conditions, and under law.

(b) Upon default, Buyer may by written notice of default to Seller (i) terminate the whole or any part of the Purchase Order; and (ii) procure alternative goods upon such terms as it shall deem appropriate.

If Seller for any reason anticipates difficulty in complying with the required delivery date or in meeting any of the other requirements of the Purchase Order, Seller shall promptly notify Buyer in writing of the potential

default, the cause thereof, and the estimated length of the anticipated default. Buyer is under no obligation to waive any default.

(c) If Seller for any reason anticipates difficulty in complying with the required delivery date or in meeting any of the other requirements of the Purchase Order, Seller shall promptly notify Buyer in writing of the potential default, the cause thereof, and the estimated length of the anticipated default. Buyer is under no obligation to waive any default.

(d) If any of the Goods/Services are found at any time to be defective in design, material or workmanship, or otherwise not in conformity with the requirements of the Purchase Order, Buyer, in addition to such other rights, remedies and choices as it may have under the Purchase Order or by law, at its option and sole discretion may: (i) reject and return such Goods/Services at Seller's expense; or (ii) require Seller to inspect the Goods/Services and remove and replace nonconforming Goods/Services with Goods/Services that conform to the Purchase Order. If Buyer elects option (ii) and Seller fails to promptly make the necessary inspection, removal and replacement, Buyer may at its option and Seller's cost, inspect and repair or replace the Goods/Services.

(e) Seller hereby grants to Buyer a security interest in the Goods/Services to secure Seller's return of any deposits and the performance of its obligations to Buyer. Seller's continued holding of the Goods/Services and property delivered to Seller after demand has been made for delivery will substantially impair the value of the Goods/Services and property, and Buyer shall be entitled to a court order for possession without bond.

(f) Buyer's rights and remedies shall be cumulative and in addition to any other rights or remedies provided by law or equity. Buyer is further entitled to all costs, including reasonable attorney's fees, incurred or necessitated in connection with any breach by Seller, and to all other rights provided for in these Terms and Conditions. A waiver by Buyer of any right or remedy shall not affect any rights or remedies subsequently arising under the same or similar case. Any attempt by Seller to limit Buyer's warranties, remedies or the amount and types of damages that Buyer may seek shall be null and void. Seller agrees that in no event shall Buyer be liable to Seller for any incidental, consequential, or special damages, including but not limited to, Seller's loss of profits.

18. CONFIDENTIALITY

(a) Seller acknowledges and agrees that it will be obligated to maintain the secrecy and confidentiality of all information disclosed by Buyer to Seller during the course of work under any Purchase Order ("Confidential Information"), including, but not limited to, any information regarding Buyer or its business or its customers, the existence and terms of any Request for Quotation or Purchase Order, and any drawings, specifications, or other documents prepared by either party in connection with any Request for Quotation or Purchase Order. Seller agrees that it will not disclose Confidential Information to or use Confidential Information with or for the benefit of itself or any third party without prior written authorization from Buyer. Seller also agrees to adopt measures to protect the secrecy and confidentiality of Confidential Information that are reasonable under the circumstances. Confidential Information shall not include any information that (i) was in the possession of Seller before receipt from Buyer; (ii) is or becomes available to the public through no fault of Seller; or (iii) is received by Seller in good faith from a third party having no duty of confidentiality to Buyer.

(b) The obligations of Seller with respect to Confidential Information shall remain in effect during the time that any Confidential Information is considered by Buyer to be secret or confidential or otherwise qualify for protection under the Uniform Trade Secrets Act. At the request of Buyer, Seller will return to Buyer all materials (in any form) that include, incorporate, or otherwise Confidential Information of Buyer.

(c) All information provided by Seller to Buyer in connection with each Purchase Order shall disclosed on a non-confidential basis, and Buyer shall have no duty to maintain the secrecy or confidentiality of such information.

19. INTELLECTUAL PROPERTY

(a) All Goods/Services, including, but not limited to, any idea, invention, concept, design, prototype, product configuration, process, technique, procedure, system, plan, model, program, software or code, data, specification, drawings, diagram, flow chart, documentation, or the like that are created in the course of performing any Purchase Order and any associated intellectual property rights therein are the sole and exclusive property of Buyer. Seller agrees that all works of authorship created by Seller in connection with each Purchase Order are "works made for hire" on behalf of Buyer as that term is used in connection with the U.S. Copyright Act. The term "intellectual property" as used herein means all patents, patent applications, patentable subject matter, copyrights, copyrightable subject matter, work of authorship, derivative works, trademark, trade name, trade dress, trade secrets, know-how, and any other subject matter, material, or information that is considered by Buyer to be proprietary or confidential and/or that otherwise qualifies for

protection under any law providing or creating intellectual property rights, including the Uniform Trade Secrets Act.

(b) Seller hereby assigns to Buyer ownership of all right, title, and interest in the Goods/Services and any associated intellectual property, and further agrees to cooperate with Buyer and to assist in the preparation and execution of all documents relating to any effort by or on behalf of Buyer to apply for, obtain, maintain, transfer, or enforce any intellectual property right related to the Goods/Services at the request and expense of Buyer. Seller expressly warrants that the Goods/Services shall not incorporate any intellectual property (including copyright, patent, trade secret, mask work, or trademark rights) of any third party, and further agrees that Seller shall not disclose to Buyer any confidential information, including any trade secrets, of any third party. Seller grants to Buyer an irrevocable, non-exclusive, royalty-free, worldwide license with the right to grant sublicenses to affiliates to use any technical information, know how, copyrights, and patents, or other intellectual property owned or controlled by Seller or its affiliates to make, have made, use, sell, and import any Goods/Services provided by Seller under a Purchase Order. Such license shall be effective from the first delivery under a Purchase Order.

(c) Seller expressly warrants that all Goods/Services will not and do not infringe any patent, trademark, copyright or other intellectual property of any third party. Seller (i) agrees to defend, hold harmless and indemnify Buyer and its customers against all claims, demands, losses, suits, damages, liability and expenses (including actual fees for attorneys, experts and consultants, settlement costs and judgments) arising out of any suit, claim or action for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark, copyright or other proprietary right by reason of the manufacture, use or sale of the Goods/Services, including infringement arising out of compliance with specifications furnished by Buyer or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Seller's actions; and (ii) waives any claim against Buyer and its customers, including any hold-harmless or similar claim, whether known or unknown, contingent or latent, in any way related to a claim asserted against Seller or Buyer for infringement of any patent, trademark, copyright or other proprietary right, including claims arising out of compliance with specifications furnished by Buyer.

20. FORCE MAJEURE

If the performance of any part of the Purchase Order by Seller or Buyer is prevented, hindered or delayed by reason of any extraordinary cause or causes beyond the reasonable control of Seller or Buyer, which are unforeseen or unforeseeable and which cannot be overcome by due diligence, including, but not limited to, acts of God, the party affected shall be excused from such performance to the extent that it is necessarily prevented, hindered or delayed during the continuance of any such happening or event, provided that the affected party provides immediate written notice of such delay (including the anticipated duration of the delay) to the other party as soon as possible after the event or occurrence. During the period of delay or failure to perform by Seller, Buyer at its option may purchase Goods/Services from other sources and reduce the Purchase Order by such quantities without liability to Seller. In addition, if Seller's inability to supply Goods/Services shall be caused by labor disruption or expiration of Seller's labor contract(s), then the Seller shall at its sole expense take any actions necessary to ensure the supply of Goods/Services to the Buyer for a period of at least thirty (30) days from the commencement of the disruption or the expiration of the labor contract(s). If requested by the Buyer, Seller shall, within ten (10) days, provide adequate assurances that the delay shall not exceed thirty (30) days. If the delay lasts more than thirty (30) days or Seller does not provide adequate assurance that the delay will cease within thirty (30) days, Buyer may immediately terminate this contract without liability. Notwithstanding, Seller's performance under any circumstances shall not be excused by labor dispute or inability to obtain material.

21. INSURANCE REQUIREMENTS

Seller will obtain and maintain, with insurance companies reasonably acceptable to Buyer, insurance coverage in amounts as reasonably requested by Buyer, in each case naming Buyer and its affiliates (as applicable) as an additional insured with respects to general liability coverage. General liability coverage must be primary over any other coverage Buyer may have. If Seller is to come on Buyer's or Buyer's Customer's property, Buyer must provide in addition to the above, auto liability coverage naming Buyer and Buyer's affiliates as additional insured which coverage shall be primary, as well as workers' compensation coverage applicable for the state in which work is to be performed. A waiver of subrogation applies in favor of Buyer on the General Liability and Workers' Compensation coverages. Seller agrees, upon request by Buyer, to provide in a timely manner a certificate showing compliance of requested coverage.

22. COMPLIANCE WITH LAW

Seller shall keep itself fully informed of all federal, state, or local laws, regulations, codes, ordinances, standards, or rulings, including without limitation orders of any regulatory or certifying governmental agencies

and any customer and/or industry standards (collectively the "Laws") that in any manner affect the Goods/Services specified in the Purchase Order, and Seller shall comply with all such Laws. Seller warrants that the Goods/Services comply with all such Laws. All purchased materials used to manufacture goods covered by the Purchase Order shall satisfy current governmental 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. All production suppliers (components, materials, tooling, and production related services) must be in compliance with the requirements of Buyer's customers to whom the Goods/Services will be sold.

23. SAFETY REGULATIONS

Seller warrants that the Goods/Services covered by the Purchase Order will comply with all applicable regulations and standards of the Occupational Safety and Health Act of 1970 and of the American National Standards Institute. Furthermore, Seller agrees to comply with and to put into effect all of Buyer's requests for particular safety features regardless of whether they are required by the Occupational Safety and Health Act of 1970 or the American National Standards Institute.

24. LABOR LAWS

By accepting the Purchase Order, Seller warrants that it complies with all applicable requirements of the Fair Labor Standards Act of 1938, and in so far as applicable to the Purchase Order, the Walsh-Healey Publics Contracts Act and the Work Hours Acts of 1962, and any amendments thereto as well as with the provisions of any other applicable Federal, state, or local law with respect to labor relations, minimum wages and hours of employment not in effect or hereafter enacted, and with any and all rules and regulations issued under each and every act.

25. EQUAL EMPLOYMENT OPPORTUNITY

Seller agrees that it shall be bound by the Equal Opportunity Clause contained in Section 202 of Executive Order 11246 and all implementing rules and regulations when applicable and if applicable, the Affirmative Action Clauses contained in 41 C.F.R. SS 60-250.4 and 60-741.4 pursuant to Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974 and Section 503 of the Vocational Rehabilitation Act of 1973.

26. ASSIGNMENT

Seller shall not assign any rights, subcontract, or delegate any duties, under the Purchase Order, including claims for monies, without the prior written consent of Buyer. Buyer may freely assign its rights, and delegate its duties, under the Purchase Order.

27. SEVERABILITY

If any term(s) of the Purchase Order is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term(s) shall be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with such statute, regulation, ordinance or rule, and the remaining provisions of the Purchase Order shall remain in full force and effect.

28. ENTIRE AGREEMENT AND WAIVER

The Purchase Order, together with all attachments, exhibits or supplements specifically referenced therein, constitutes the entire agreement between Seller and Buyer with respect to the matter contained in the Purchase Order, and supersedes any previous oral or written representations, including but not limited, to provisions in Seller's quotations, proposals, acknowledgments, invoices or other documents. No prior written or oral agreement, express or implied, shall be admissible to vary, or alter the provisions of the Purchase Order. No waiver of any breach of any provision of the Purchase Order will constitute a waiver of any other breach of such or any other provision.

UPDATES. THESE STANDARD TERMS MAY BE MODIFIED, AMENDED AND UPDATED FROM TIME TO TIME AT THE DISCRETION OF BUYER.

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