



TOSOH

TOSOH QUARTZ, INC.

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Terms & Conditions (TQI as Buyer)

ACCEPTANCE. This order (including any documents incorporated herein) is an offer by Tosoh Quartz, Inc. ("**Buyer**") to buy product from your company ("**Seller**") and this offer (or any purported acceptance by Buyer of any offer of Seller) is expressly conditioned upon Seller's acceptance of these terms and conditions. An acknowledgment of this order or the commencement of performance hereunder shall operate as an acceptance of this offer upon the terms and conditions herein. If Seller's acknowledgment of this order or any other communication from Seller states terms and conditions which are in addition to or different from those contained herein and which are not separately agreed to by Buyer in writing, Buyer hereby objects to such additional or different terms and conditions and such terms and conditions shall be of no effect.

INSPECTION. All goods shall be subject to Buyer's inspection. Buyer shall have the right to require that Seller, at Seller's expense, promptly correct any defect in workmanship, transit damage or other non-conformity with the requirements of the order. If correction is impractical, Seller shall bear all risk after notice of rejection and shall, at Buyer's request, promptly make all necessary replacements at Seller's expense. If Seller fails to make prompt replacements, Buyer may make such replacements and charge Seller for excess costs incurred by Buyer. No substitutions of materials or accessories shall be made without prior written approval of Buyer. Buyer shall cooperate with Seller in filing claims with freight carriers.

SHIPMENT. All material shall be properly packed for shipment. Seller shall comply with Buyer's routing and written shipping instructions. All shipments are F.O.B. Destination, unless other arrangements have been made.

DELIVERY. Seller shall deliver the products in the quantities and to the specifications and delivery schedule specified in this order. Seller shall observe delivery requirements strictly. If (1) circumstances, events or causes in the nature of force majeure or other causes beyond Seller's reasonable control cause Seller to delay performance, (2) Seller gives Buyer written notice of these circumstances, events or causes immediately, and (3) Buyer gives its written consent, the time for Seller's performance shall be extended by a period equal to the resulting delay. If Seller fails to perform this order for any other reason, after 5 days from such failure Buyer may obtain products from others to complete this order, and either deduct any additional costs of completing the order from any monies due Seller (whether or not under this order), or recover those additional costs from Seller. This right is in addition to any other right or remedy available to Buyer at law or in equity.

TITLE. Title to products furnished, or information generated or developed, under this order shall be deemed transferred to Buyer upon delivery to Buyer. Seller warrants that all products shall be free and clear of all liens, claims and encumbrances at the time of delivery.

ARBITRATION. All disputes that may arise between the parties regarding the interpretation of the contract and the legal effect of the contract shall, to the exclusion of any court of law, be arbitrated and determined in accordance with the latest Commercial Arbitration Rules of the American Arbitration Association. The arbitration proceeding shall be held in the city in that state where the principal office of Buyer is located. The parties recognize and consent to the above mentioned arbitration association's jurisdiction over each of them.

GOVERNING LAW. This agreement will be governed and construed in accordance with the laws of the State of Oregon, USA, without regard to conflict of law principles. In the event this agreement pertains to the sale of any goods outside the United States, the parties agree that the United Nations Convention for the International Sale of Goods shall not apply to this agreement.

CHANGES. This order may not be changed or modified except upon the prior written authorization of Buyer.

ASSIGNMENT. Seller shall not assign this order in whole or in part without Buyer's prior written consent.

INTELLECTUAL PROPERTY. Seller represents and warrants that products delivered pursuant to this order and the sale or use thereof do not infringe any third-party intellectual property rights, including but not limited to patent, trade secret, copyright or trademark rights, and that Seller shall at Seller's expense, defend indemnify and hold harmless Buyer and Buyer's customers from and against any and all claims, demands, actions and liability based on alleged or actual infringement thereof.

COMPLIANCE WITH LAWS, CODES AND STANDARDS. Seller warrants that it has complied with all applicable state, federal and local laws, codes and standards, including but not limited to those pertaining to labor, ethics, health and safety and environmental compliance, and Seller agrees to indemnify and hold harmless Buyer and Buyer's customers from all loss, liability, fines and expenses incurred as a result of Seller's failure to comply with such laws, codes or standards. Seller acknowledges that it is Buyer's expectation that Seller comply with the Electronic Industries Code of Conduct as set forth at http://www.eicc.info/eicc_code.shtml.

TERMINATION. Buyer may, by written notice to Seller, terminate the whole or any part of this order for *default* (1) if Seller fails to deliver products within the time or in the manner provided under this order, (2) if reasonable grounds for insecurity arise with respect to Seller's performance and Seller fails to furnish adequate assurances within 5 days after a written demand by Buyer for such assurance, or (3) if Seller becomes insolvent or makes an assignment for the benefit of creditors, commits an act of bankruptcy or files or has filed against it a petition in bankruptcy or reorganization proceedings. In the event Buyer terminates this order, in whole or in part, for default, Buyer shall be entitled to all rights and remedies available to it at law or in equity. Buyer may terminate, suspend or otherwise modify this order for *its convenience*, in whole or in part, at any time by written notice. In such event, Seller shall promptly comply with the directions contained in such notice and shall cease work and the ordering of materials as required by the notice, and take all necessary action to minimize further costs and liabilities. Buyer shall pay Seller's price for products completed prior to the receipt of Buyer's written notice, and Seller's actual costs for work in progress. Amounts paid by Buyer to Seller as a result of Buyer's actions, together with amounts paid by Buyer before it gave Seller notice, must not exceed the total purchase price of this order.

NON-DISCRIMINATION. All contractor and subcontractor shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.

WARRANTIES. Seller warrants that all products delivered hereunder shall (1) conform to the requirements of this order, (2) be free from defects in manufacturing and materials, and (3) be free from defect in design and fit for their intended



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purpose if they were not manufactured to Buyer's detailed design. The foregoing warranties shall extend to, and be for the benefit of, Buyer, Buyer's customers and subsequent owners of the products. Seller shall replace or repair any nonconforming, defective or unfit product at Seller's own expense if the nonconformity, defect or unfitness becomes known to Buyer, Buyer's customers or subsequent owners of the products during the 24-month period after delivery (or Seller's usual warranty period, if longer). These warranties are in addition to any other warranties or similar rights available to Buyer, Buyer's customers or subsequent owners at law or in equity.

EFFECT OF OTHER WRITTEN AGREEMENTS: In the event that any provision of any other written agreement signed by both Buyer and Seller (whether now or hereafter in effect) is inconsistent with any term or condition set forth herein, the provisions of such other written agreement shall govern.