

PURCHASE ORDER TERMS AND CONDITIONS

1. ACCEPTANCE

This purchase order must be accepted in writing by Seller. If, for any reason, Seller fails to accept in writing, any conduct by Seller which recognizes the existence of a contract pertaining to the subject matter hereof, including Seller's commencement of performance, shall constitute acceptance by Seller of this purchase order and all of its terms and conditions. Any terms proposed in Seller's acceptance of this purchase order which add to, vary from, or conflict with the terms herein are hereby objected to.

2. ENTIRE AGREEMENT

This purchase order and any documents referred to on the face hereof constitute the entire agreement between Buyer and Seller. No modification of any term contained herein shall be binding upon the Buyer unless made in writing and signed by Buyer's authorized representative.

3. CHANGES

Buyer reserves the right at any time to change (a) specifications, drawings and data incorporated into this purchase order, (b) the place of delivery or (c) the time of delivery. If any such change causes an increase or decrease in the cost of, or time required for, Seller's performance of this order, an equitable written adjustment shall be made in the price or the delivery schedule or both. Unless Seller presents to Buyer an itemized statement of claim within 20 days following receipt of a change notice, Seller shall be conclusively deemed to have waived all claims against Buyer with respect to such change.

No change, including but not limited to changes in manufacturing or assembly processes or techniques, materials, internal or external finishes, of the products, or location of manufacturing facilities, are to be made without the prior written consent of the Buyer. Buyer must be notified of such changes at least 120 days prior to the proposed date of implementation. Samples and any additional data requested by Buyer, including information to substantiate the need for such change, will be supplied to Buyer upon request. No shipment of the changed products shall be made to Buyer prior to Seller's receipt of Buyer's written approval of the change.

4. DELIVERY

Time is of the essence in this contract. Deliveries under this purchase order shall be strictly in accordance with the specified quantities, schedules and other requirements of this order. No act of Buyer, including acceptance of late deliveries, shall act as a waiver of this provision. Seller shall

promptly notify Buyer in writing of any anticipated or actual delay in Seller's strict performance of the terms contained herein.

5. PRICE

Buyer shall not be invoiced at prices higher than stated herein unless authorized in writing by Buyer. Seller represents and warrants that the prices charged for the goods covered by this purchase order do not exceed the prices charged by Seller to other customers for similar quantities of like items under similar delivery requirements. Charges for preparation, packing, crating and cartage are included in the price unless separately specified in this purchase order. Any payment by Buyer under this purchase order prior to delivery to Buyer shall transfer title in the purchased goods to Buyer, to the extent of payment.

6. CANCELLATION

Buyer reserves the right to terminate this order, in whole or in part, on default of Seller or for any other reason by giving Seller written notice of termination. If terminated for Buyer's convenience and not on Seller's default, then Buyer shall reimburse Seller for reasonable and necessary costs incurred to the date of cancellation but shall not be responsible for any profits on the cancelled portion of this purchase order. If Buyer terminates and reimburses Seller his costs, then Buyer is entitled to any finished goods and work-in-process which have been identified to the terminated purchase order.

7. PROPRIETARY INFORMATION

Any specifications, drawings, designs, manufacturing data, and any other information transmitted to Seller by Buyer in connection with this purchase order are the property of the Buyer and are disclosed in confidence and shall not be disclosed, reproduced or used for any purpose other than as required under this purchase order. Unless otherwise agreed upon in writing by Buyer, any information disclosed to Buyer by Seller in connection with this purchase order shall not be considered proprietary and shall be acquired without restriction as part of the consideration for this purchase order.

8. INDEMNIFICATION

Seller will indemnify and hold Buyer, its agents, employees and customers harmless against any liability and expenses, including attorneys fees, arising out of (a) actual or claimed infringements of patent, trademark, copyright or other rights, misappropriation of trade secrets or breach of confidential relationship, with respect to goods furnished under this order, (b) any defects in such

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goods, (c) any breach by Seller of any warranty pertaining to such goods, or (d) Seller's failure to timely deliver such goods. Seller will, upon request of Buyer, and at Seller's own expense, defend or assist in the defense of any such action which may be brought against Buyer.

9. WARRANTY

Seller expressly warrants to Buyer and its customers that the goods delivered under this purchase order will (a) conform to the specifications, drawings, samples or other description upon which this order is based, (b) be merchantable and free from all defects in material and workmanship, (c) be free from defects in design if not designed by Buyer, and (d) be fit for their intended purpose. All such warranties shall survive inspection, test, acceptance and use of the goods furnished under this purchase order.

10. ASSIGNMENT

This purchase order may not be assigned nor performance thereof delegated without the prior written consent of the Buyer.

11. COMPLIANCE WITH LAWS

The present purchase order terms and conditions and all contracts between CTS Electronic Components and the Seller shall be exclusively governed by and construed in accordance with Swiss law, without giving effect to Switzerland's rules on conflict of law and regardless of the place or places of their physical execution and performance.

Berne shall be the exclusive forum for the settlement of all and any disputes out of or in connection with this Agreement and all contracts between CTS Electronic Components and the Seller which cannot be resolved through friendly negotiation. CTS Electronic Components reserves the right, however, to take legal action against the Seller before the authority of his legal domicile (principal place of business) or before any other competent authority, in which event exclusively Swiss law shall remain applicable.