

IMRA AMERICA, INC. -- TERMS AND CONDITIONS OF PURCHASE (SHORT FORM)

These terms and conditions form an integral part of, and are incorporated by reference into, the purchase order ("Order").

1. DEFINITIONS

"Goods" means the goods, products, materials, supplies, parts, assemblies, drawings, documents, or services covered by this Order. "Buyer" means IMRA America, Inc.

2. ACCEPTANCE; CONTRACT

This Order, including all items incorporated herein by reference, is Buyer's offer to Seller. Seller's acceptance is expressly limited to the terms hereof. Any of the following acts by Seller shall constitute acceptance: (i) signing and returning a copy of this Order; (ii) commencing performance required under this Order; (iii) informing Buyer of commencement of performance under this Order, or (iv) shipping of Goods in performance of this Order. No additional or different terms shall be binding and Buyer hereby objects to any additional or different terms contained in Seller's acceptance or other documents of Seller. The "battle of the forms" described in §2-207 of the UCC shall not apply to this Order or any invoice or acceptance form.

3. PRICE TERMS

a. Extra Charges, Invoices, and Payment. The price of the Goods shall be as stated in the purchase order and no other charges will be allowed. No invoices shall be issued nor payment made prior to delivery. Price shall be inclusive of all state and federal excise and value added taxes. Payment terms are as specified in the purchase order. If no payment terms are specified, payment will be due net 30 days after delivery of the Goods. All payments are subject to adjustment for rejection. Payments shall be made in U.S. Dollars, unless otherwise specified.

b. Transportation Charges. Seller will ship the Goods to Buyer in strict accordance with Buyer's instructions. Any transportation charges for which Seller is entitled to receive reimbursement shall be added to Seller's invoice as a separate item, with the receipted freight bill attached thereto. Any excess charges resulting from the use of unauthorized transportation will be disallowed or charged to Seller.

c. Set Off; Recoupment. Buyer may offset against or recoup from any payment or other obligation owed to Seller any amounts due to Buyer from Seller.

4. DELIVERY

a. Packaging and Shipment. Time is of the essence and Seller agrees to 100% on-time delivery of the quantities and at the times specified by Buyer in the purchase order. All Goods shall be properly packed, labeled, marked, loaded and shipped as required by this Order and the transporting carrier (or, if no instructions are provided, then in accordance with sound commercial practices). Seller will list Buyer's part number(s), purchase order number and product description on the exterior packaging. Unless otherwise stated in the purchase order, Goods will be delivered F.O.B. Seller's designated facility, and title will transfer upon receipt of the Goods by the freight carrier.

b. Delays; Force Majeure. In the event of a delay or threat of delay in delivery, Seller shall immediately notify Buyer

of the reason and estimated length of the delay or threatened delay. Seller shall be liable for any damages resulting from delays, except where (1) a delay is caused by riots, war, governmental laws, orders or regulations, embargoes, acts of God, fire, or similar causes beyond the reasonable control of Seller, and (2) Seller notifies Buyer as aforesaid. If Seller cannot comply with the delivery schedule, Buyer may terminate this Order or cancel any shipments without further liability to Seller, in addition to any other rights or remedies.

5. QUALITY

Seller will conform to quality control and related standards and inspection systems established or adopted by Seller and to any other specified quality and design requirements.

6. INSPECTION; NONCONFORMING GOODS

a. All Goods shall be subject to inspection and testing by Buyer and its customers to the extent practical at all times and places and in any event prior to acceptance by Buyer. Buyer may reject and return any portion of any shipment of Goods that may be defective or fail to conform to applicable specifications, drawings, samples or descriptions without invalidating the remainder of the order. Acceptance or rejection of the Goods shall be made as promptly as practicable after discovery of a defect or nonconformity.

b. Buyer is not required to inspect Goods prior to use. Buyer's acceptance, inspection, or failure to inspect shall not relieve Seller of any of its warranties or responsibilities, including its responsibility to conduct appropriate quality tests and inspections of the Goods. Payment shall not constitute final acceptance.

c. In addition to any other remedies available to Buyer, Buyer may (1) return non-conforming or defective Goods at Seller's risk and expense for credit at the full invoice price plus transportation charges, (2) correct non-conforming or defective Goods at Seller's expense, (3) require Seller to replace or correct non-conforming or defective Goods within ten (10) days, (4) implement or require Seller to implement, containment, inspection, sorting and other quality assurance procedures at Seller's designated facility or at Buyer's or its customers' facilities, (5) withhold payments to Seller for the non-conforming or defective Goods, and/or (6) recover from Seller all reasonable costs and expenses incurred by Buyer and its customers as a result of the non-conforming or defective Goods or the actions authorized in this section, including recall.

7. WARRANTIES.

Seller warrants that all Goods will be merchantable and free from defects in material, workmanship and design; conform to applicable specifications, drawings, samples and descriptions; conform to all applicable laws wherever the Goods or other goods or services incorporating the Goods are manufactured or sold; and be suitable for Buyer's and its customers' intended use. Seller warrants that it will transfer to Buyer ownership and good title to the Goods, free of all liens, encumbrances and rights of third parties.

8. INTELLECTUAL PROPERTY; INDEMNITY

Seller represents and warrants that the Goods do not infringe upon any third party's patent, trademark, copyright or trade secrets ("Intellectual Property"). Seller will indemnify, hold harmless, and defend Buyer, its customers, and their respective successors and assigns, against all claims of infringement of any Intellectual Property and all resulting damages, liabilities, losses, costs or expenses related to the Goods or the work performed by Seller under this Order. If the sale or use of the Goods is enjoined, or in Buyer's sole judgment is likely to be enjoined, Seller will at Buyer's election and Seller's expense procure for Buyer the right to continue using the Goods, replace the Goods with equivalent non-infringing goods or services, or modify the Goods so they become non-infringing.

9. ENVIRONMENT; INGREDIENTS

Seller (1) warrants that no Goods contain any substance on "IMRA America's List of Prohibited Substances and Components" (2) will not use ozone-depleting substances (including chlorofluorocarbons, carbon tetrachloride and 1,1,1-trichloroethane) in the manufacture of the Goods, and (3) will conform to all applicable laws relating to chlorofluorocarbons and haloalkanes. Upon Buyer's request, Seller will provide detailed information regarding the substances contained in or emitted from the Goods. If Seller becomes aware that any ingredient of the Goods may be harmful to persons or property, or that the design or construction of the Goods is defective in any manner which may become harmful to persons or property, or that the Goods contain an ingredient referenced in the first sentence of this paragraph, Seller shall immediately notify Buyer.

10. DATA AND TECHNICAL INFORMATION

Upon request, Seller will provide all production, testing and quality data and records, and operating and maintenance instructions related to the Goods.

11. INSURANCE

Seller shall maintain and carry in full force and effect general liability, public liability, workers' compensation liability and property damage insurance in such amounts as are commonly carried by prudent businesses similarly situated or as is otherwise required by applicable law. Upon request, Seller shall provide proof of such insurance.

12. COMPLIANCE WITH LAWS

Seller shall comply with all federal, state and local laws, rules, regulations, conventions, ordinances or standards. In the performance of this Order, Seller and its subcontractors may not use forced labor, employ any person below the age of 15 unless part of a government-approved job training, apprenticeship or other program that would be clearly beneficial to its participants, or engage in physically abusive disciplinary practices.

13. INDEMNIFICATION

Seller will indemnify, hold harmless, and defend Buyer, its customers and others who distribute, resell or use the Goods or other products into which the Goods are incorporated, together with their respective officers, directors, employees, agents, successors and assigns, from and against all damages, claims, liabilities, losses, costs and expenses (including costs of recalls) resulting from any alleged or

actual (1) defective or non-conforming Goods, (2) negligent or wrongful act or omission of Seller or any of Seller's directors, officers, employees, subcontractors and agents, or (3) Seller's breach of, or its failure to comply with, any of its warranties and representations, applicable laws, or other requirements. These obligations will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise. If a claim relates to an alleged defect in or failure of the Goods, the parties will cooperate with each other in good faith to determine the root cause of the defect or failure and an equitable allocation of responsibility among all responsible parties.

14. DISPUTE RESOLUTION

a. Applicable Law. This Order and any dispute arising hereunder shall be governed by the laws of the State of Michigan without regard to conflict of laws provisions. Any litigation shall be brought and jurisdiction and venue shall be proper only in a federal or state court serving Ann Arbor, Michigan. The U.N. Convention on Contracts for the International Sale of Goods shall not apply.

b. WAIVER OF RIGHT TO JURY TRIAL.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, SELLER HEREBY WAIVES ITS RIGHT TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, COUNTERCLAIM OR CROSS-COMPLAINT IN ANY ACTION OR PROCEEDING BROUGHT BY SELLER OR BUYER ON ANY MATTER ARISING UNDER OR RELATING TO THIS ORDER, THE RELATIONSHIP OF SELLER AND BUYER OR ANY CLAIM OF INJURY OR DAMAGE.

15. MISCELLANEOUS

a. Relationship of Parties. The parties are independent contractors, and nothing in this agreement makes either party the agent or legal representative of the other party for any purpose. Neither party has authority to assume or create any obligation on behalf of the other party.

b. Waivers. Buyer's failure at any time to enforce any provision of any Order shall not constitute a waiver of such provision or prejudice Buyer's right to enforce such provision at a subsequent time.

c. Assignment. No delegation of any duties under this Order shall be binding upon Buyer unless its written consent thereto has been obtained. Seller is required to provide Buyer a true copy of any assignment of rights to moneys due or to become due under this Order.

d. Entire Agreement. This Order is intended as a final expression of the parties' agreement and is the complete and exclusive statement of all terms and conditions of agreement. No agreement or other understanding purporting to add to or modify the terms and conditions hereof shall be binding upon Buyer unless agreed to by Buyer in writing.

e. Severability. If any provision of this agreement is or becomes invalid or unenforceable under applicable laws, that provision will be deemed reformed or deleted, as appropriate, but only to the extent necessary to comply with the applicable laws. The remaining provisions of the agreement will remain in full force and effect.