

1. PRIMACY OF SELLER'S TERMS AND CONDITIONS. Any order, including written purchase orders, electronic orders, or any other writings or communications constituting an order of goods, delivered by the buyer of the goods sold (the "Buyer") to the seller (the "Seller") and accepted by Seller, and any verbal or written quotations from Seller to Buyer which are accepted by Buyer, shall be construed as an acceptance of Seller's offer to sell its goods in accordance with the terms and conditions of sale set forth herein. This document contains all of the terms and conditions of the agreement between Seller and Buyer with respect to the goods sold, to the exclusion of any terms and conditions incorporated in Buyer's order or other documents of Buyer. Seller's acceptance of Buyer's order is expressly conditioned on Buyer's acceptance of the terms and conditions of sale contained herein. Buyer, upon placing an order, is presumed to have accepted all of the terms and conditions without modification. No alteration, waiver, modification or addition to these terms and conditions of sale shall be binding on Seller unless specifically agreed to in writing by a person authorized by Seller to accept such different or inconsistent terms or conditions.

2. ORDER ACCEPTANCE BY SELLER. All orders received by Seller are subject to acceptance or rejection by Seller after its receipt of the same at its home office.

3. PRICE. Unless otherwise agreed to in writing by Seller (a) all prices, quotations, shipments and deliveries by Seller are FOB shipping point, freight collect; (b) all prices are subject to change without notice and the prices to be paid by Buyer will be in accordance with Seller's prices in effect on the day of Seller's acceptance of Buyer's order; (c) prices do not include shipping charges, insurance charges or taxes of any kind, all of which are the responsibility of, and must be paid by, Buyer.

4. DELIVERY, TITLE AND RISK OF LOSS. Unless otherwise agreed to by Seller, Seller's obligation is to deliver the goods to a carrier at the shipping point. Seller reserves the right to produce and ship all or any part of the goods specified in any order from any of its plants or facilities or those of its suppliers. Seller will use all reasonable efforts to comply with Buyer's requests as to method of transportation, but Seller reserves the right to use an alternate method of transportation whether or not at a higher cost to Buyer, if the method specified by Buyer is deemed by Seller to be unavailable or otherwise unsatisfactory. Seller will make reasonable commercial efforts to meet any estimated performance or shipment date set forth on a quotation or purchase order, however the failure to perform or ship on such dates shall not be considered a breach by Seller and Seller shall not be liable for any loss or damages (consequential or otherwise) due to delay in performance or shipment. Seller reserves the right to divide deliveries and invoice each delivery separately. Delivered lots are subject to quantity variations of plus or minus 10%. Title and risk of loss passes to Buyer at the moment of Seller's delivery of the goods to the carrier at the shipping point. Although Seller may assist Buyer in connection with pursuing any claim for damages, Seller shall not thereby assume any obligations for such damage or continue to assist Buyer in the presentation of its claim to any carrier.

5. CLAIMS. Buyer must inspect or test all goods upon actual receipt. Buyer waives any right to assert any claim against Seller arising from any defects, damages or shortages which would have been observable upon reasonable inspection or testing at the time of delivery, unless Seller is advised of such defects, damages or shortages within ten (10) days after receipt of the defective goods by Buyer, a period which the parties agree is reasonable for this purpose. All other claims under the Seller's warranty must be made within thirty (30) days of the discovery of the defect. Buyer must obtain shipping instructions from Seller prior to returning the goods to Seller for repair or replacement. Unless otherwise agreed, returned goods must be shipped freight prepaid or they will not be accepted by Seller.

6. PAYMENT. Except as otherwise provided below, payment for each order shall be made within thirty (30) days from date of invoice. If complete payment is not made when due, the unpaid balance shall bear interest at the rate of 1 1/2% per month until paid. Buyer shall be responsible for all cost of collection including reasonable attorney's fees. Seller reserves the right to require alternative payment terms including, without limitation, letters of credit, payment in advance, or the imposition of credit limits. Seller may delay or cancel deliveries of goods to Buyer while Buyer is in default of its payment obligations. Buyer hereby grants and Seller reserves a purchase money security interest in each Product purchased hereunder, and in any proceeds thereof, for the amount of the purchase price of such Product. Buyer hereby irrevocably authorizes IPG to sign on behalf of Buyer and file in the appropriate public office(s) UCC financing statements covering the Products and all proceeds thereof. Buyer shall have no set-off or counterclaim rights whatsoever.

7. CANCELLATIONS AND RETURNS. Buyer may not cancel an order or return goods not otherwise subject to a warranty claim without the written consent of Seller, which Seller may withhold in its sole discretion. Seller's consent to any order cancellation or product return may be conditioned on Buyer's payment of a cancellation or restocking fee to be determined at the sole discretion of Seller.

8. WARRANTY. Seller warrants to the Buyer that for a period of **one year** from the date of delivery of goods to Seller (the "Applicable Warranty Period") (i) such goods shall be free from defects in materials and workmanship, (ii) all stock goods shall conform to the published specifications in effect at the time of Seller's acceptance of the order for such goods and (iii) all goods customized to Buyer's specifications will conform to the applicable specification submitted by Buyer with or in advance of the applicable order. No claims under this warranty will be valid unless Buyer notifies Seller in writing within thirty (30) days of its discovery of each breach of the foregoing warranty, but in any event prior to the expiration of the Applicable Warranty Period for such goods. This warranty does not cover ordinary maintenance, wear and tear within the normal consumable life of a good, abuse, improper use, alterations, repairs and installations which have not been performed by an authorized Seller's representative, and goods which have not been maintained or operated in accordance with Seller's written instructions. **THE FOREGOING WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES WHATSOEVER, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.** Seller will repair or replace, at its option, any goods (or parts thereof) which are covered by this warranty and which are found by Seller to be defective. Seller may provide a substitute good of equal or higher value to resolve a warranty claim. No such repair, substitution or replacement will extend the Applicable Warranty Period. When a warranty claim arises, Buyer must contact Seller to arrange return shipment to Seller, with freight prepaid by Buyer. The risk of loss or damage to any goods returned to Seller will be with Buyer. Buyer will not be responsible for any labor charges incurred by Buyer in connection with a warranty claim.

9. LIMITATION OF LIABILITY. THE REMEDY OF REPAIR OR REPLACEMENT PROVIDED FOR HEREIN IS BUYER'S EXCLUSIVE REMEDY IN THE EVENT OF AN ALLEGED BREACH OF THIS WARRANTY. IN ADDITION, SELLER SHALL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES OR FOR ANY LOSS, INCLUDING LOSS OF LIFE, DAMAGE, INCLUDING DAMAGE TO PERSONAL PROPERTY OR THE PROPERTY OF OTHERS, OR ANY OTHER EXPENSE ARISING FROM THE SALE, USE OR INSTALLATION OF THE GOODS, FROM ANY

BREACH BY SELLER OF ANY AGREEMENT BETWEEN BUYER AND SELLER OR FROM ANY OTHER CAUSE WHATSOEVER, WHETHER BASED ON WARRANTY (EXPRESSED OR IMPLIED) OR OTHERWISE BASED ON CONTRACT, OR ON TORT, OR REGARDLESS OF ANY ADVICE OR REPRESENTATIONS THAT MAY HAVE BEEN RENDERED BY SELLER OR ITS AGENTS OR REPRESENTATIVES. BUYER'S MAXIMUM LIABILITY ARISING FROM THE SALE OR USE OF ANY GOOD SOLD TO BUYER UNDER THIS AGREEMENT WILL NOT EXCEED THE PURCHASE PRICE OF SUCH GOOD.

10. INDEMNIFICATION OF SELLER. To the maximum extent allowed by law, Buyer must defend and indemnify Seller and its employees and agents against all sums, costs, liabilities, losses, obligations, suits, actions, damages, penalties, fines, interest and other expenses (including investigation expenses and attorney's fees) that Seller may incur and be obligated to pay as a result of: (a) Buyer's negligence, use, ownership, maintenance, transfer, transportation, or disposal of any goods sold to Buyer; (b) any infringement or alleged infringement of the industrial or intellectual property rights of others arising from any goods made to Buyer's non-standard specifications; (c) Buyer's violation or alleged violation of any federal, state, local or local laws or regulations; or (d) Buyer's breach of these terms and conditions of sale.

11. OWNERSHIP OF TOOLS AND DIES. Seller shall retain exclusive ownership of all tools and dies utilized or produced for the purpose of manufacturing the Goods sold to Buyer, including any tools and dies for customized products sold to Buyer. Seller shall be responsible for all tool and die maintenance and repair costs. Seller shall have the right to rework any tools or dies used for customized products beginning five (5) years after the last delivery date of goods utilizing such tools or dies.

12. ASSIGNMENT. Buyer shall not assign any order or any interest therein without the written consent of Seller. Any such actual or attempted assignment without Seller's prior written consent shall entitle Seller to cancel the order upon written notice to the Buyer.

13. VALIDITY OF SEPARATE CLAUSES. If any provisions of this agreement shall be held invalid, illegal, or unenforceable, the validity, legality, or enforceability of the remaining provisions shall not be affected or impaired thereby.

14. WAIVER. No waiver, whether express or implied, by Seller of any of the terms or conditions hereof shall be deemed a continuing waiver or trade custom between the parties, but shall apply solely to the instance to which the waiver is directed.

15. GOVERNING LAW. The interpretation, construction and validity of the Agreement shall be governed by the laws of the Commonwealth of Massachusetts. The parties specifically disclaim the application of the United Nations Convention on Contracts for the International Sale of Goods.

16. DISPUTE RESOLUTION. Seller reserves the right to invoke the jurisdiction of any competent court to remedy or prevent violation of any provision of these terms and conditions of sale or to otherwise protect its interest. Any dispute with Buyer may, at Seller's sole discretion, be resolved through binding arbitration in the Commonwealth of Massachusetts, pursuant to the commercial arbitration rules of the American Arbitration Association ("Arbitration"). Absent Seller's express written authorization, in the exercise of its sole discretion, in favor of a judicial forum for dispute resolution, Buyer's only forum is Arbitration. The results of Arbitration shall be final, binding and nonappealable, except as allowed by law.

17. JURISDICTION AND VENUE. Buyer irrevocably submits and agrees to the jurisdiction of the state courts of the Commonwealth of Massachusetts and the Federal courts, where appropriate, within the Commonwealth of Massachusetts, in any action, suit or proceeding between Buyer and Seller, and to the extent permitted by applicable law, Buyer waives and agrees not to assert as a defense in any such action, suit or proceeding any claim: (a) that Buyer is not personally subject to the jurisdiction of the state courts of the Commonwealth of Massachusetts and/or the Federal courts, where appropriate, within the Commonwealth of Massachusetts; (b) that the venue of the action, suit or proceeding is improper; (c) that the action, suit or proceeding is brought in an inconvenient forum; or (d) that the subject matter of an action suit or proceeding may not be enforced in or by the state courts of the Commonwealth of Massachusetts and/or the Federal courts, where appropriate, within the Commonwealth of Massachusetts.

18. PROVISION OF QUALITY DOCUMENTS. Seller warrants that it will provide quality information to the buyer in accordance with the policy stated below. All quotations to the buyer and acknowledgements of the orders from the buyer are based on that policy.

Seller's quoted prices are based on providing the following information only.

ISIR- Seller's ISIR consists of documentation of a specific quantity of parts to customer print requirements. Results are traceable to a specific part. A keyed print may be provided to cross reference the specifications on the ISIR to the customer print

Product/ Process Warrant- Seller's Product/ Process Warrant may be provided as required by individual customers. It consists of a brief part description, reason for submission, impact of change, submission information, and submission results

Material Certifications- Representative material certifications as received with material lots from vendors.

Flow Diagram- Seller's Flow Diagram outlines processes from Order Review through Shipping with references to specific Quality System Procedures which further define each process step.

Control Plan- Seller's control plan is an inspection tool that is produced as an output of the design control process. The control plan specifies:

1. Product characteristics to be verified
2. Inspection equipment to be used for verification
3. Sample size to be inspected
4. Inspection frequency
5. Individual or department responsible for inspection
6. Reaction plan to initiate in the event of a nonconformance

The control plan is retained as a document of record for:

1. Inspection results of first piece, in process, and final inspection
2. Individual that performed the inspection
3. Intervals for the in process inspection

Examples of the ISIR, Warrant, Material Certification, Flow Diagram and Control plan are available on our website <http://www.lutco.com/quality>