

DFT INC. TERMS AND CONDITIONS OF SALE

A. DEFINITION

As used herein, the terms "DFT" or "Seller" mean DFT Inc. or its subsidiaries.

B. ACCEPTANCE/AGREEMENT

No order placed with DFT shall be considered as accepted until officially acknowledged in writing by DFT. DFT reserves the right to select its own customers and the right to reject any order.

DFT'S acceptance of PURCHASER'S order is expressly conditioned upon your company's assent to the following terms and conditions and in the event any of such terms and conditions conflict with the terms and conditions contained in PURCHASER'S order, the conflict will be resolved in favor of the terms and conditions contained herein.

C. ORDERS

ORDER CANCELLATION—there will be no cancellation charge for items normally stocked or for any item not in manufacturing process. Charges on non-stock items or specials in manufacturing process when cancellation is received will be the regular selling price.

PART SHIPMENT—where practical, plant will contact the PURCHASER prior to making a partial shipment and ask whether the entire shipment should be held or part shipment made.

AFFIDAVITS—Orders requiring affidavits must so state when orders are placed.

CERTIFICATION—Certification to specifications will be furnished at no extra charge when no physical test data required. DFT reserves the right to make a charge for physical or destructive test data when such data is required to meet specific specifications. All such requests must so state on the face on the purchase order or release when orders are placed.

RIGHT OF REFUSAL—DFT reserves the right to reject any order or refuse to bid on any requirement. If DFT, in its sole discretion, determines that DFT'S performance would result in a loss to DFT on this sale, as computed under DFT'S normal accounting procedures, because of causes beyond DFT's control, then DFT may terminate this agreement in whole or part without liability for any delay in the delivery of or a failure to deliver the goods sold hereunder.

D. RETURNED GOODS

DFT reserves the right to improve its products through changes in construction or materials without being obligated to incorporate such changes, or to make exchanges, in goods of prior manufacture.

NOTIFICATION—PURCHASER will be deemed to have inspected and accepted any shipment under this contract if, within thirty days after PURCHASER'S receipt of goods, PURCHASER has not notified DFT in writing that such goods are rejected and grounds therefor.

RETURN OF GOODS—no goods may be returned by PURCHASER for any reason without DFT'S prior written authorization.

E. WARRANTY AND WARRANTY RESTRICTIONS

1. CONFORMITY—This sales order acknowledges the type and quantity of goods ordered by your company ("Purchaser") as interpreted by DFT. Purchaser's silence indicates the correctness of this sales order. Although DFT does not intentionally ship non-conforming goods without Purchaser's permission, in the event DFT ships goods which do not conform to the type and quantity ordered, they will be deemed to have been shipped merely as an ACCOMMODATION in an effort to serve Purchaser's needs.

2. LIMITATION AND DISCLAIMER OF WARRANTIES AND LIABILITIES

(a) DFT warrants only to the First Purchaser (as defined herein) that the goods sold pursuant hereto which are manufactured by DFT will (i) be free from defects in materials and workmanship under normal use and service; and (ii) conform to applicable specifications specified in DFT form P&M (which form is hereby incorporated herein by reference), subject to applicable manufacturing variations. The warranty period will be for a period of one year after the goods purchased pursuant hereto are placed in service, but such period shall not exceed eighteen months after the shipment of such goods pursuant hereto (the "Warranty Period"). First Purchaser shall be barred from any recovery on the limited warranty contained in this Paragraph E.2(a) when the goods in question are not used within the applicable service and temperature and pressure ranges for which they were manufactured, as specified on DFT form P&M. Further, First Purchaser shall also be barred from any recovery under such warranty on account of any goods which have been subject to accident, negligence, alteration, abuse, misuse, improper maintenance, improper installation, or the like.

In the event First Purchaser is a user of DFT'S goods and discovers or should have discovered a defect in which it is reasonable to conclude that damage, either personal, property or economic, may result, First Purchaser's continued use of the suspect goods will constitute an assumption of the risk by First Purchaser and a bar to any recovery for breach of any express warranty.

FIRST PURCHASER'S SOLE AND EXCLUSIVE RIGHTS AND REMEDIES IN CONNECTION WITH THE LIMITED WARRANTY CONTAINED IN THIS PARAGRAPH E.2(a) ARE LIMITED TO THE RIGHTS AND REMEDIES EXPRESSLY SET FORTH IN PARAGRAPH E.3.

(b) THE EXPRESS WARRANTIES SET FORTH IN PARAGRAPH E.2(a) AND THE OBLIGATIONS AND LIABILITIES OF DFT THEREUNDER ARE EXCLUSIVE AND ARE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ALL OTHER OBLIGATIONS AND LIABILITIES OF DFT, IT BEING UNDERSTOOD THAT THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION OF THE EXPRESS TERMS OF PARAGRAPH E.2(a).

IT IS HEREBY EXPRESSLY UNDERSTOOD AND AGREED THAT UNLESS A STATEMENT IS SPECIFICALLY IDENTIFIED IN THIS SALES ORDER AS A WARRANTY, THE STATEMENTS MADE IN THIS SALES ORDER RELATING TO THE GOODS SOLD PURSUANT HERETO ARE NOT EXPRESS WARRANTIES AND DO NOT FORM A PART OF THE BASIS OF THE BARGAIN BUT ARE MERELY DFT'S OPINION OR COMMENDATION OF THE GOODS. ANY DESCRIPTION OF THE GOODS SPECIFIED IN THIS SALES ORDER (OTHER THAN AS SPECIFIED ON DFT FORM P&M) AND ANY DESCRIPTION OF SUCH

GOODS CONTAINED IN ANY AND ALL BROCHURES, PAMPHLETS OR OTHER LITERATURE OF DFT, WHETHER DELIVERED BEFORE OR AFTER THE DATE HEREOF, ARE NOT INTENDED TO BE WARRANTIES. INSTEAD, THEY ARE FOR THE SOLE PURPOSE OF IDENTIFYING SUCH GOODS; AND SUCH DESCRIPTION IS NOT PART OF THE BASIS OF THE BARGAIN, AND DOES NOT CONSTITUTE A WARRANTY THAT THE GOODS SHALL CONFORM TO THAT DESCRIPTION. THE USE OF ANY SAMPLE OR MODEL WAS FOR ILLUSTRATIVE PURPOSES ONLY, CONFORMITY OF THE GOODS TO SUCH SAMPLE OR MODEL IS NOT PART OF THE BASIS OF THE BARGAIN, AND IS NOT A WARRANTY THAT THE GOODS WILL CONFORM WITH THE SAMPLE OR MODEL. NO AFFIRMATION OF FACT OR PROMISE MADE BY OR ON BEHALF OF DFT, WHETHER OR NOT IN THIS SALES ORDER, SHALL CONSTITUTE A WARRANTY THAT THE GOODS WILL CONFORM TO THE AFFIRMATION OR PROMISE.

DFT NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE SALE OF GOODS HEREUNDER. DFT MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO GOODS NOT MANUFACTURED BY IT.

PURCHASER ACKNOWLEDGES THAT IT HAS HAD THE OPPORTUNITY TO EXAMINE THE GOODS BEING PURCHASED PURSUANT HERETO AND EXCLUDES ANY WARRANTY FOR ANY DEFECT WHICH SUCH EXAMINATION HAS OR SHOULD HAVE REASONABLY DISCLOSED.

FOR PURPOSES OF THIS SALES ORDER, THE TERM "FIRST PURCHASER" SHALL MEAN THE PERSON OR ENTITY NAMED HEREIN TO WHOM THE GOODS DESCRIBED HEREIN ARE ORIGINALLY SOLD. THE EXPRESS WARRANTIES CONTAINED IN PARAGRAPH E.2(a) SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY DFT AND FIRST PURCHASER.

3. LIMITATION OF REMEDIES

(a) DFT'S SOLE AND EXCLUSIVE OBLIGATION AND LIABILITY WITH RESPECT TO ANY BREACH OF WARRANTY AND/OR NEGLIGENCE OF DFT, AND FIRST PURCHASER'S SOLE AND EXCLUSIVE RIGHTS AND REMEDIES WITH RESPECT THERETO, SHALL BE LIMITED TO THE REPAIR OR REPLACEMENT, AT DFT'S OPTION, OF ANY GOODS MANUFACTURED BY DFT WHICH MAY PROVE TO BE DEFECTIVE WITHIN THE WARRANTY PERIOD AS A DIRECT RESULT OF SUCH BREACH OF WARRANTY OR NEGLIGENCE OF DFT. DFT WILL REPAIR OR REPLACE SUCH DEFECTIVE GOODS, AS THE CASE MAY BE, FREE OF CHARGE. THE DETERMINATION OF WHETHER THE GOODS IN QUESTION ARE DEFECTIVE WILL BE MADE BY DFT. DFT WILL GIVE FIRST PURCHASER NOTICE OF ITS DETERMINATION WITHIN FIFTEEN (15) DAYS AFTER DFT RECEIVES SUCH GOODS FROM FIRST PURCHASER AS PROVIDED HEREIN. IF DFT DETERMINES THAT THE GOODS IN QUESTION ARE DEFECTIVE, DFT WILL REMEDY SUCH DEFECT IN ACCORDANCE WITH THIS PARAGRAPH E.3 ON A TIMELY BASIS AFTER GIVING NOTICE THAT THE GOODS ARE DEFECTIVE.

IF DFT AND FIRST PURCHASER DO NOT AGREE AS TO WHETHER THE GOODS IN QUESTION ARE DEFECTIVE, DFT AND FIRST PURCHASER WILL MUTUALLY APPOINT AN INDEPENDENT THIRD PARTY TO DO SO WITHIN THIRTY (30) DAYS AFTER DFT'S NOTIFICATION REGARDING DEFECTIVENESS. THE DETERMINATION OF SUCH THIRD PARTY SHALL BE CONCLUSIVE AND BINDING ON DFT AND PURCHASER. THE COST OF SUCH DETERMINATION SHALL BE PAID BY FIRST PURCHASER. IF THE DULY APPOINTED INDEPENDENT THIRD PARTY DETERMINES THAT THE GOODS ARE DEFECTIVE, DFT WILL REMEDY SUCH DEFECTS ON A TIMELY BASIS AFTER SUCH DETERMINATION.

IN ORDER FOR FIRST PURCHASER TO BE ENTITLED TO RECEIVE THE RIGHTS AND REMEDIES CONTAINED IN THIS PARAGRAPH E.3, FIRST PURCHASER MUST NOTIFY DFT IN WRITING OF THE EXISTENCE OF POSSIBLE DEFECTIVE GOODS COVERED HEREBY WITHIN THIRTY (30) DAYS AFTER DISCOVERY THEREOF OR THE TIME FIRST PURCHASER SHOULD HAVE DISCOVERED SUCH POSSIBLE DEFECT OR ELSE SUCH CLAIMS SHALL BE DEEMED WAIVED. FURTHER, WITHIN FIFTEEN (15) DAYS AFTER GIVING OF SUCH NOTICE, FIRST PURCHASER SHALL DELIVER THE GOODS IN QUESTION TO THE APPLICABLE PLANT DESIGNATED BY DFT FOR THAT PURPOSE, FREE OF ALL LIENS AND ENCUMBRANCES.

FIRST PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT THE NOTICE AND TIME PERIODS SPECIFIED IN THIS PARAGRAPH E.3 REGARDING DISCOVERY OF DEFECTS, SHIPMENT OF GOODS TO DFT, NOTIFICATION OF DEFECTIVENESS AND THE TIME TO EFFECTUATE REMEDIES ARE THE APPROPRIATE, COMMERCIALY REASONABLE AND FAIR TIME AND NOTICE PERIODS.

ALL TRANSPORTATION, INSURANCE, INSTALLATION CHARGES AND OTHER COSTS AND EXPENSES INCURRED IN CONNECTION WITH THIS PARAGRAPH E.3 SHALL BE PAID BY FIRST PURCHASER. DFT SHALL HAVE NO LIABILITY OR OBLIGATION TO FIRST PURCHASER FOR LOSS OR DAMAGE RESULTING FROM THE REPAIR, MAINTENANCE, LOSS OF USE OF GOODS, OR SUBSEQUENT REINSTALLATION OF GOODS BY ANY PARTY OTHER THAN DFT.

(b) IF AFTER A REASONABLE NUMBER OF ATTEMPTS BY DFT TO REMEDY A DEFECT PURSUANT TO PARAGRAPH E.3(a) AND THE REMEDY FAILS OF ITS ESSENTIAL PURPOSE, FIRST PURCHASER SHALL, AT ITS OPTION, EITHER RECEIVE (i) A REFUND OF THE PURCHASE PRICE FOR THE DEFECTIVE GOODS IN EXCHANGE FOR THE RETURN OF SUCH GOODS OR (ii) A CREDIT TOWARDS A NEW PURCHASE IN THE AMOUNT EQUAL TO THE ORIGINAL PURCHASE PRICE OF THE DEFECTIVE GOODS IN QUESTION.

(c) UNDER NO CIRCUMSTANCES SHALL DFT BE LIABLE TO FIRST PURCHASER OR ANY OTHER PERSON FOR ANY CONSEQUENTIAL, INCIDENTAL, ECONOMIC, DIRECT, INDIRECT, GENERAL OR SPECIAL DAMAGES, EXPENSES OR LOSSES DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY (i) BREACH OF WARRANTY, EXPRESS OR IMPLIED, UNDER THIS SALES ORDER OR OTHERWISE; (ii) ACT OF NEGLIGENCE OF DFT; OR (iii) TRANSACTIONS CONTEMPLATED BY THIS SALES ORDER.

F. CONFIDENTIAL INFORMATION

All drawings, diagrams, specifications and other materials furnished by DFT and identified as confidential, relating to the use and service of articles, furnished hereunder and the information, therein, are proprietary to DFT. Such materials have been developed at great expense, and they contain trade secrets of the Seller. PURCHASER may not reproduce or distribute such materials except to PURCHASER'S employees who may use the articles as part of their duties. All such materials relating to the article supplied directly by DFT (except information as may be established to be in the public domain or disclosed pursuant to judicial government action) shall be received in confidence, and PURCHASER shall exercise reasonable care to hold information in confidence.

All information received by DFT from the PURCHASER shall be deemed not to be confidential and not to involve any trade secrets unless such information is clearly identified as confidential/trade secret information by the PURCHASER and a responsible officer of DFT has specifically signed a confidentiality agreement relating to such information. Sales personnel and other representatives of DFT are not authorized to accept any information from the PURCHASER in confidence.

G. TOOLING

All tooling required to produce the goods shall remain the property of DFT unless specific written arrangements are otherwise made. The PURCHASER is responsible for costs resulting from (1) alterations requested by him, (2) major repairs or replacement caused by normal wear, (3) additional costs incurred when new factors are introduced, such as shorter lead time and/or increased rate of delivery. The term "Tooling" shall include such items as molds, dies, patterns, forms, jigs, mandrels, fixtures and other special equipment, except machinery which is required to produce goods.

H. CREDIT

All invoices paid after due date will be assessed the late payment service charge of 18% per annum or the maximum allowed by applicable law, whichever is lower. If, in DFT'S judgment, the financial condition of the PURCHASER at the time merchandise is ready for shipment does not satisfy the terms specified, DFT reserves the right to change these terms or to require full or partial payment in advance. DFT may at any time suspend performance of any order or require payment in cash, security or other adequate assurance satisfactory to DFT when, in DFT's opinion, the financial condition of PURCHASER or other grounds for insecurity warrant such action. All sales are subject to the approval of DFT'S credit department.

I. PRICES

The purchase price for the goods being purchased hereunder shall be the list price for such goods as reflected on DFT'S price list at the time of shipment less applicable discount, if any. Orders are subject to minimum charges as noted on DFT'S applicable price lists.

In addition to the purchase price, Purchaser shall pay all transportation costs, insurance and all applicable federal, state and local sales, use, property, excise or other taxes imposed on or with respect to the goods being purchased hereunder, except taxes levied on DFT'S net income. In the event of new taxes or increased rates or the repeal of taxes or reduction of rates, any resulting adjustment shall be added to or subtracted from the amount invoiced.

If there is a delay in completion of shipment of this order due to any change requested by the PURCHASER or as a result of any delay on PURCHASER's part in furnishing information required for completion of the order, the price agreed upon at the time of the acceptance of the order is subject to change.

J. DELIVERY

DFT will provide commercial packaging adequate, under normal conditions, to protect the goods in shipment and identify the contents. Should PURCHASER request any special packaging, it will be done at PURCHASER's expense. All goods will be shipped via the least expensive or most expeditious means of transportation under the circumstances, unless PURCHASER indicates otherwise. If PURCHASER provides no routing instructions, DFT shall be the sole judge of the best method of routing shipment.

Purchaser hereby acknowledges and agrees that DFT is authorized to ship the goods covered by this sales order by carrier. All goods purchased pursuant hereto shall be delivered F.O.B. DFT'S applicable plant, as specified by DFT from time to time, it being the intention of the parties hereto to create a "shipment contract" within the meaning of the Pennsylvania uniform commercial code.

Delivery shall occur and risk of loss of the goods being purchased hereunder shall pass to Purchaser upon delivery of goods to the carrier at DFT'S applicable plant. Transportation of such goods shall be at Purchaser's sole risk and expense. Further, for purposes hereof, "shipment" shall also be deemed to occur upon delivery of the goods to the carrier at DFT'S applicable plant.

DFT shall have the right to deliver the entire order at one time or in portions from time to time within the time of delivery specified in Paragraphs L. and M. Any delivery or portion thereof not made in accordance with this sales order shall not affect any fulfilled parts thereof, nor entitle Purchaser to reject subsequent deliveries. Payment within terms shall be due upon acceptance of each delivery for the goods delivered.

K. TITLE

Solely for the purpose of reserving a security interest in the goods being sold hereunder, DFT retains title to such goods until they are paid in full by Purchaser. Such retention of title by DFT shall not affect the passage of risk of loss as specified in Paragraph J.

L. DELAYS

(a) Except as otherwise provided in Paragraph M., Purchaser is entitled to cancel only that portion of any order which is excessively delayed, it being understood that time is not of the essence. To invoke such cancellation, Purchaser must give DFT ten (10) days prior written notice thereof, provided DFT has not manufactured or shipped such goods in the interim.

(b) The customer shall have 30 days from the date of notification by DFT that goods are "ready for shipment" to release the goods for shipment or arrange for pickup of the product. After 30 days, a warehousing storage fee of ½% per week (or any fraction of a week) shall be assessed on those items for which ready for shipment notification has been given, until written notification of shipment authorization is received by DFT. A week is defined as a seven (7) calendar day period.

M. FORCE MAJEURE

(a) Notwithstanding any provision herein to the contrary, DFT shall not be liable or responsible for any delay in or failure of delivery

of the goods being purchased hereunder by reason of force majeure, including, but not limited to, DFT'S inability to obtain raw materials from suppliers or to obtain same on a timely basis, or as a result of interruption of transportation, delays in delivery, governmental regulation, labor disputes, strikes, war, fire, flood, accidents, acts of God, civil disturbance, quote restrictions, unavailability of necessary raw materials or any other cause beyond DFT'S control, whether or not such cause be of the same class or kind as those enumerated above, such enumeration being expressly understood to be in addition to other causes or classes of causes beyond DFT'S control. In the event of the occurrence of any such causes, DFT shall have the right to allocate production and deliveries among its customers in such proportions as it deems appropriate, in its sole and absolute discretion.

(b) In the event DFT is unable to make timely delivery of all or a portion of the goods being sold hereunder, by reason of any events or occurrences referred to herein, Purchaser must accept delivery of the goods whenever DFT is able to make such delivery regardless of the duration of the delay in delivery of the goods, or DFT may, in its sole and absolute discretion, cancel the undelivered portion of this sales order without liability to DFT.

N. LIMITATION OF ACTION

No action or proceeding at law, in equity or otherwise shall be commenced by Purchaser against DFT for DFT'S alleged breach of this sales order and/or violation of any federal or state law now in effect or hereafter enacted with respect to any obligation or duty incurred hereunder by DFT, unless: (i) Purchaser notifies DFT in writing at the address specified in this sales order within thirty (30) days from the date of such alleged breach or violation, provided DFT does not remedy or correct the breach or violation within sixty (60) days from the receipt of the notice; and (ii) such action or proceeding is commenced by Purchaser within eighteen (18) months from the date of shipment of the goods being purchased hereunder, unless extended by ninety (90) days to allow for notice to DFT and its response provided by this paragraph. Notwithstanding the foregoing, nothing contained in this paragraph shall be construed to abridge or limit the warranties contained in Paragraph E. hereof.

O. CHOICE OF LAW AND VENUE

It is expressly agreed and stipulated that this agreement and anticipated sale shall be deemed to have been made and performable exclusively in Exton, Chester County, Pennsylvania. All questions concerning the validity, interpretation, or performance of any of its terms or provision, or of any rights or obligations among the parties hereto, shall be governed and resolved in accordance with the laws of the Commonwealth of Pennsylvania.

P. INTEGRATION

This writing is intended by the parties to be a final, complete and exclusive statement of their agreement with respect to the subject matter hereof. All prior or contemporaneous oral or written statements are hereby excluded and are superseded. If Purchaser does not agree with the terms and conditions contained herein or if anything herein is incorrect or unacceptable, please advise us immediately in writing.

Q. GENERAL PROVISIONS

The Terms and Conditions of sale and any description on the face of DFT's order acknowledgement form constitutes a complete and exclusive statement of the Terms and Conditions of the sale of the goods by DFT to the PURCHASER. There are no other promises, conditions, understandings, representations or warranties. This Agreement may be modified only in a writing signed by the Seller. No waiver of any right will be effective against Seller unless supported by consideration and expressly stated in writing signed by the Seller. The failure of DFT to enforce any right will not be construed as a waiver of DFT's right to performance in the future. PURCHASER may not assign any rights to, or delegate any performance owed under, the agreement without the written consent of DFT.