

PURCHASE ORDER GENERAL TERMS AND CONDITIONS, F-B103

1. DEFINITIONS: As used in these General Terms and Conditions, "Order" shall mean Purchase Orders and all attachments and exhibits; "Materials" shall mean any materials, machinery, equipment, article, item, maintenance, construction or other services or work provided for in Purchase Order; "ITG" shall mean Integrated Technologies Group and / or its subsidiaries (Integrated Magnetics, CMI Integrated Technologies, Magnet Sales & Manufacturing, and Integrated Magnetics de Mexico). "Seller" shall mean the person, proprietor, partnership, Limited Liability Company, firm, corporation or other entity to which Purchase Order is issued.

2. CONTRACT: When accepted by Seller, subject to Section 12 below, Purchase Order requirements and these Terms and Conditions shall constitute the entire contract between Seller and ITG with reference to items or services ordered. None of the General Terms and Conditions herein and made a part of all Purchase Orders may be added to, modified, superseded or otherwise altered except by written instrument signed by an authorized representative of the party against which such changes are sought to be enforced, and each shipment received by ITG from Seller shall be deemed to be made only upon the requirements specified in Purchase Orders, notwithstanding any terms and conditions that may be contained in any acknowledgment, invoice or other form of Seller and notwithstanding ITG's act of accepting or paying for any shipment or similar act of ITG, except as otherwise indicated in the Purchase Order.

3. CHANGES: The Buyer reserves the right at any time to issue a written change order or amendment to the Purchase Order concerning any of the following: (a) specifications, drawings, and data incorporated in the Purchase Order where the items to be furnished are to be specially manufactured for the Buyer; (b) quantity; (c) methods of shipment or packaging, (d) place of delivery, (e) time of delivery; or (f) any other matters affecting this Purchase Order.

4. BLANKET PURCHASE ORDERS: Blanket Purchase Orders may be issued from time to time by ITG. Such Blanket Purchase Orders signal ITG's good faith intention to purchase items specified from Supplier over the life of the Order. However, Supplier is only authorized to produce, and ITG will only be liable for, items according to specific releases authorized in the Order from time to time.

5. TERMINATION: Buyer may terminate the Purchase Order for its convenience, in whole or in part, at any time prior to shipment by (written or electronic) notice to Seller. Upon receipt of such termination notice, Seller shall promptly comply with the directions contained in such notice and shall, as required, (a) take action necessary immediately to terminate the work as provided in the notice, minimizing costs and liabilities for the terminated work, and (b) continue the performance of any part of the work not terminated by Buyer.

6. PRICE, TAXES AND TERMS: (a) The Seller certifies that the prices specified in this Order are as low or lower than prices quoted by the Seller to any other customer purchasing the same type and/or quantity of specified Materials, as ITG.

(b) In the event that the Seller's published prices for the Materials covered by this contract are reduced below the prices specified in this Order, or if the Seller provides or agrees to provide the type and/or quantity of Materials covered by this contract to any other customer for a price lower than that specified in this Order, ITG shall receive the benefits of such reduction and shall pay the price or prices specified decreased by the amount of such reduction.

(c) Unless otherwise specified herein, the Seller must deliver the full quantity of goods, or complete to the satisfaction of an authorized representative of ITG's Purchasing Department, the full quantity of services, specified herein before any payment will become due from ITG.

(d) Invoices shall be dated no earlier than date of shipment or delivery of service. The discount period begins upon receipt of invoice, required delivery date, or date any applicable discrepancy is resolved, whichever date is later. Buyer will pay non-discountable invoices forty five (45) days after receipt of invoice, required delivery date, acceptance, or the date any applicable discrepancy is resolved, whichever date is later, unless other terms have been negotiated and agreed to by both parties.

(e) Shipment of Materials shall be accompanied by a shipping notice or a packing slip describing the contents of each package or container showing item numbers, weight, quantity and order number.

(f) Shipment charges invoiced to ITG by Seller or any third party shall be supported and accompanied by the original receipted bill of Seller's or such third party's shipper. All prices quoted in the Purchase Order will include the cost of insurance and shipping unless otherwise agreed to.

(g) Seller shall show federal excise, state and or local taxes, if any, separately on invoice.

(h) Seller shall not substitute Materials or ship more than the quantity of materials ordered without express written authority from an authorized representative of ITG's Purchasing Department. Otherwise, ITG reserves the right to reject such Materials.

(i) The method of shipment and routing shall conform to ITG's instructions; otherwise, any extra costs shall be borne by Seller. If not otherwise specified by ITG, Seller shall ship Materials at the most economical prevailing means and rate consistent with safe and timely delivery of such Materials.

7. DELAY OR NONDELIVERY: If, upon Seller's receipt of this Order or at any time thereafter, Seller finds that it cannot ship the Materials within the time specified in this Order, Seller shall so notify ITG immediately by the fastest means possible and shall inform ITG of Seller's earliest possible shipping date (the "Revised Shipping Date"). ITG shall have the option either to cancel all or any part of the Order or to accept the Order and Seller's Revised Shipping Date. Seller's failure to ship the Materials by the Revised Shipping Date shall entitle ITG at ITG's sole option to cancel all or any part of the Order upon notice to Seller without prejudice to any other rights ITG may have in the Order or as a result of Seller's failure, or which may survive the termination of the Order.

8. INSPECTION: All goods and services furnished hereunder will be subject to inspection and test by Buyer at all times and places and will be subject to Buyer's final inspection and approval within a reasonable time after delivery. Buyer may reject goods and services not in accordance with Buyer's instructions, specifications, drawings, data, or Seller's warranty (expressed or implied), or for untimely delivery. Buyer may return rejected goods to Seller at Seller's expense and Buyer shall have no further obligation for such goods. Payment for any goods or services shall not be deemed acceptance and in no event shall Buyer incur any liability for payment for rejected goods or services.

9. COMPLIANCE WITH AUTHORITY: Seller agrees to comply with all laws, orders, rules, ordinances, codes and regulations of any governmental body applicable to it, and shall furnish ITG such evidence of compliance as ITG may require at any time and from time to time. If Seller fails to comply with the above laws, orders, rules, ordinances, codes and regulations and as a result ITG is held liable for such Seller's failure by the applicable regulatory body or a court of law, then at ITG's sole discretion, Seller shall either pay fines, damages and/or other costs incident thereto or reimburse ITG for the payment of same.

10. CONFIDENTIALITY, LIMITED USE: Unless otherwise agreed by Buyer in writing, Seller shall keep confidential and not disclose to any third party, any confidential and/or proprietary materials provided by Buyer to Seller in connection with Seller's performance of this Purchase Order or prepared by Seller specifically for Buyer pursuant to this Purchase Order, including but not limited to any drawings, masters, software, specifications, raw materials, components, data, business information or plans, customer lists or other customer information ("Confidential Information"). Seller

shall not make any copies of Confidential Information except as specifically authorized by Buyer in writing. At the completion of this Purchase Order, or upon Buyer's request, Seller shall promptly return to Buyer all Confidential Information not consumed in the performance of this Purchase Order, together with any copies in Seller's possession. Seller shall use Confidential Information solely for Seller's performance of this Purchase Order for Buyer, and Seller shall not, without Buyer's written consent, directly or indirectly use Confidential Information or information derived therefrom in performing services or providing goods for any other customer of Seller, or any other person or entity.

11. RESOLUTION OF CONFLICTS OR INCONSISTENCIES OCCURRING IN THE ORDER: It is Seller's responsibility to comply with this Purchase Order and all referenced documents, and to clarify with Buyer any inconsistencies or conflicts in any parts of the Purchase Order or referenced documents. Should Seller fail to contact Buyer to resolve conflicts or inconsistencies, Seller will be solely responsible for errors resulting from said conflicts or inconsistencies. Where documents are referenced, the version in effect at the time of Purchase Order placement shall apply.

12. PATENT AND OTHER INFRINGEMENT: Seller shall indemnify ITG and hold it harmless from and against any and all loss, liability or expense by reason of any claim or suit for alleged infringement of any copyright, trademark, patent, trade secret or other intellectual property resulting from or arising in connection with the manufacture, sale, normal use or other normal disposition of any Material furnished hereunder, or the performance of any work hereunder, and shall defend any such claim or suite and pay all costs and expenses incidental thereto; but at its option ITG shall have the right to participate in the defense of any such claim or suit without relieving Seller of any obligations hereunder.

13. INDEMNITY: Seller shall indemnify and hold harmless ITG and its parent and subsidiary companies and their respective employees, officers, directors, authorized representatives and stockholders from all claims, costs, liabilities, judgments, expenses, damages or losses resulting from any injury to property or persons due to any act, omission or negligence of Seller, its agents, employees or contractors or arising out of Seller's performance of this Order, or arising out of any breach or alleged breach of this Order or any representation or warranty made by Seller, its agents, employees or contractors.

14. ASSIGNMENT: Neither this Order nor any claim against ITG arising directly or indirectly out of, or in connection with, this Order, shall be assignable by Seller or by operation of law, nor shall Seller subcontract any obligations hereunder without the prior written consent of ITG.

15. DEFAULT: If Seller or its agents, employees or contractors breaches any provision hereof, ITG shall have the right (without limiting any other rights or remedies which it may have hereunder or by operation of law) to terminate this Order upon written notice to Seller. ITG's right to terminate this Order pursuant to this section shall not affect or be a waiver of any other rights and remedies ITG may have in this Order or which may survive the termination of this Order. ITG's right to require performance of any obligation hereunder shall not be affected by any previous waiver, forbearance or course of dealing by ITG. Time is of the essence for this Order.

16. WARRANTIES: Seller shall observe, comply with and afford ITG all applicable Uniform Commercial Code warranties contained in the California General Laws, and Seller hereby acknowledges that ITG does not waive any of such warranties. This Order shall be interpreted in accordance with the laws of the State of California and in accordance with its fair meaning and not strictly against either party.

17. NOTICE: All notices given hereunder shall, unless otherwise specifically provided, be given in writing, by personal delivery, mail, electronic mail, or facsimile transmission at the respective addresses of Seller and ITG set forth in this Order, unless either party at any time or times designates another address for itself by notifying the other party thereof by certified mail, in which case all notices

to such party shall thereafter be given at its most recently so designated address. Notice given by mail shall be deemed given on the date of mailing thereof with postage prepaid. Notice given by electronic mail or facsimile transmission shall be deemed given upon receipt thereof by the recipient.

18. CONSENT TO JURISDICTION: Any action to enforce, arising out of, or relating in any way to, any of the provisions of this contract may be brought and prosecuted in such court or courts located in the State of California as is provided by law; and the parties consent to the jurisdiction of said courts located in the State of California and to service of process by registered mail, return receipt requested, or by other manner provided by law.

19. SEVERABILITY: In case one or more of the provisions contained in this contract should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

Date	Rev	Description
10/01/08	NC	Issued
11/10/08	A	Added section 4