GSI PURCHASE ORDER

STANDARD TERMS AND CONDITIONS

1. COMPLETE AGREEMENT. The following are the Standard Terms and Conditions ("Terms") of The GSI Group, LLC. ("GSI"), which apply to all future Purchase Orders ("PO") or as incorporated by reference in any separate purchase supply agreement. These Terms are binding on all Suppliers; by accepting an order, Supplier agrees to be bound and to comply therewith. These Terms do not take precedence over any existing contract. Any effort by Supplier for inclusion of additional or different terms, or to vary any of the Terms is expressly rejected by GSI, unless accepted in writing. Supplier will be deemed to accept a PO including these Terms, either by written acknowledgement, commencement of work, upon shipment of any goods, or by providing services called for by a PO.

2. PO AND ACKNOWLEDGEMENT REQUIRED. GSI requires that PO's be issued for the purchase of all goods and services. Invoices submitted by Suppliers without reference to purchase order number will be returned, unpaid. PO's must be signed and returned to GSI not more than 14 days from receipt.

3. CHANGES TO PURCHASE ORDER. Supplier agrees to perform changes to orders when required by GSI in writing. If the changes result in a variance in Supplier's price, performance or delivery, each variance must be accepted by GSI, by incorporation in a written change order. Pending such adjustment, Supplier will be required to perform as depicted in the existing PO.

4. DISCOUNTS. Discounts will be computed from the date of receipt of invoice or the date of receipt by GSI of the goods or services, whichever is later. If original invoice or shipment is incorrect, the discount will be computed from the date of correction.

5. SHIPMENT AND DELIVERY. All goods will be shipped FOB destination, unless otherwise indicated in the PO. If no method of shipment is specified in the PO, Supplier shall use the least expensive carrier capable of meeting the delivery schedule. Title and risk of loss remain with Supplier until receipt of goods by GSI at the designated destination. If the goods are destroyed before title passes, GSI may, at its option, cancel the PO or require delivery of substitute goods of equal quality and quantity. If goods are purchased from a foreign supplier, the interpretation of trade terms will be governed by Incoterms 2000. Each package shall be numbered and labeled with GSI's PO number, part number, contents and weight; shall contain an itemized packing slip and properly packed for shipment. No charges will be allowed for packing, crating, freight, express or cartage unless specified on the face of the PO. Time is of the essence; if not delivered within the time specified in the PO (or within a reasonable time if not specified) GSI may refuse acceptance and cancel the order.

6. INSPECTION AND REJECTION. Goods and services furnished must be exactly as specified in the PO and free from all defects in design, workmanship and materials. The goods and services are subject to inspection. If found to be defective, GSI may reject or require Supplier to effect replacement/correction without additional charge. Alternatively, a reduction in price may be required. If Supplier is unable or refuses to effect replacement/correction within the time deemed reasonable by GSI, the order may be terminated in whole or in part. Supplier bears all risks as to rejected goods and services and will reimburse GSI for return shipment and other related costs.

7. INDEMNITY. Supplier will indemnify, hold harmless and upon demand, defend GSI, its officers, directors, customers, agents and employees against all claims, liabilities, damages, losses and expenses including attorneys' fees and costs of suit arising out of or connected with the goods or services provided by Supplier, including without limitation: (a) claims resulting in the death or bodily injury to any person; destruction or damage to property, including but not limited to products liability claims in which goods or services provided by Supplier were a cause; (b) contamination of the environment including associated clean-up costs; (c) claims asserted by a third party against GSI alleging that the goods/services provided by Supplier infringe patents, copyrights, trademarks, trade secrets or other proprietary rights, whether such goods/services were provided alone or in combination with other products, software, or processes or by Supplier's subcontractors. Supplier agrees to pay or reimburse all costs that may be incurred by GSI enforcing this indemnity, including attorneys' fees.

8. INSURANCE. Supplier shall maintain at its expense (and shall cause its subcontractors to maintain at their expense) commercial general liability insurance including products liability, with bodily and personal injury limits of not less than $1 million per person, with an aggregate of not less than $2 million and property damage limits of not less than $300,000 per incident. Supplier shall provide certificates of insurance evidencing such coverage signed by an authorized representative of underwriters.

9. PRICE. When no unit price is stated in the PO, the order must be filled at prices no higher than last quoted. Supplier warrants that the prices are not less favorable than those currently extended to any other customer. If prices are reduced to any other customer subsequent to the acceptance of a GSI PO and prior to delivery, Supplier agrees to reduce prices correspondingly to GSI. Supplier acknowledges that prices shown on a PO are complete, and at no additional charge (including shipping, packaging, labor, custom duties, taxes, storage and insurance) of any type will be added, unless otherwise expressly stated. Taxes, shipping costs, duties, customs and government-imposed surcharges shall be stated separately on Supplier's invoice.

10. QUANTITY. Goods delivered in excess of quantities depicted in a PO will be returned at Supplier's expense.

11. TAXES. Supplier will comply with all applicable tax laws and will indemnify GSI against taxes imposed due to non-compliance. GSI is authorized to purchase tangible personal property without payment of sales or use taxes at time of purchase under state registrations. The applicable state registration numbers or direct payment permits must be requested by Supplier prior to shipment.

12. WARRANTY. Supplier unconditionally warrants that all goods/services furnished conform to the specifications, drawings, samples of physical descriptions or guides referenced in the PO, and:

Are new, and not used or refurbished, unless otherwise expressly agreed;
Are furnished in accordance with its terms;
Are free of liens, security interests and other encumbrances on title;
Are free from defects in labor, materials, workmanship and design;
Supplier has good and marketable title to the goods furnished and are expressly suitable for the purposes intended; and
All services are performed in accordance with current, sound and generally accepted industry practices by qualified personnel trained and experienced in the appropriate fields.

This warranty shall extend for a period of 24 months from date of intended usage by the GSI customer or from the period provided in GSI standard warranty to its customers, whichever is longer;

GSI reserves the right to cancel unfilled portions of any order for breach of warranty, and to return for full credit at Supplier's expense, any products which are either not conforming to the order or to this warranty.

13. INSPECTION. Final inspection and acceptance of the goods will be accomplished within 90 days after delivery. The inspection will be conclusive except for latent defects or fraud. On request, Supplier agrees to allow GSI free access to its plant and operations for the purpose of inspection and quality assurance. Payment for goods/services prior to inspection does not constitute acceptance.

14. DRAWINGS AND OTHER WORK PRODUCT. "Work Product" includes all drawings, dies, patterns, tools, and molds prepared or constructed by Supplier which result from or relate to the goods/services performed in response to a PO issued by GSI. All such Work Product shall be the property of GSI. Upon demand, such Work Product will be delivered to GSI.

15. DEFAULTS. GSI may, by written notice to Supplier, cancel a PO in whole, or in part. if: (a) Supplier fails to deliver the goods or perform the services ordered within the time specified; (b) Supplier fails to deliver materials which conform to the requirements of a PO or otherwise fails to demonstrate progress towards completion as to endanger performance in accordance with the terms of the order; (c) If Supplier becomes insolvent, or unable to pay its debts as they become due; (d) If Supplier defaults, GSI may terminate all outstanding PO's without liability or the imposition of direct/indirect damages or loss of projects.

16. PROPERTY FURNISHED TO SUPPLIER BY GSI. All dies, molds, patterns, tools, jigs, fixtures, and any other property either furnished to the Supplier by GSI ("GSI Property"), or specifically paid for by GSI for use in the performance of an order, shall be and remain the property of GSI; shall be subject to return upon GSI's instruction; shall be used only in filling orders from GSI; shall be held at the Supplier's risk; and shall be kept insured by

the Supplier while in its custody or control in an amount equal to the replacement value. All such property will be conspicuously marked as "Property of GSI Group, LLC." and will be returned to GSI upon demand.

17. ASSIGNMENTS. Supplier may not assign a PO to third persons without the written consent of GSI. Any such consensual assignment will remain subject to setoff, recoupment, or other lawful means of enforcing any present or future claims which GSI may have against Supplier. If such consent is given, Supplier remains liable, together with assignee, as if no assignment had been made.

18. COMPLIANCE WITH STATUTES AND REGULATIONS. All work performed under a PO will be accomplished in compliance with all applicable state, local and federal statutes and regulations. Supplier assumes full responsibility for non-compliance with any such laws and regulations. Such statutes shall include, but not be limited to the Fair Labor Standards Act of 1938, as amended and regulations/orders of the U.S. Dept. of Labor issued under Sect. 14. thereof.

19. CUSTOMS. Upon request, Supplier will promptly provide GSI with a statement of origin and U .S. Customs documentation for all goods wholly or partially manufactured outside the United States.

20. WORK ON-SITE. The following additional conditions will apply if work is to be performed by the Supplier at any of GSI's locations: (a) All persons furnished by Supplier are its employees. Supplier shall comply with all applicable statutes regarding workman's compensation, employer's liability, unemployment compensation, old-age benefits, and all other laws relating to or affecting the employment of labor; (b) Supplier shall indemnify, hold harmless and defend GSI from all claims and liabilities for injuries or death, and for all claims and liabilities arising out of property damage caused by or resulting from the performance of work by Supplier; (c) Supplier shall maintain at its expense and cause its subcontractors to maintain at their expense, insurance coverage with limits specified in Paragraph 7; (d) Supplier is responsible for securing all applicable licenses and permits at its own cost; (e) If requested, Supplier shall furnish satisfactory evidence of the kind, quality and quantity of labor and materials used or to be used; (e) Supplier for itself and all its subcontractors and material men, agree that no mechanic's lien will be filed or maintained for or on account of any work done or materials furnished under a PO. If requested, Supplier will execute and deliver to GSI a separate and enforceable waiver of liens.

21. CONFIDENTIAL RELATIONSHIP. Supplier will treat as confidential all specifications, drawings, nomenclature, samples, models and other information or property supplied by GSI. Unless written consent of GSI is first obtained, Supplier will not advertise, publish or release for publication, any statement depicting GSI or the fact that Supplier furnished or contracted to furnish GSI with goods/services. Supplier shall not disclose any information relating to an order to any person not essential for completion of the order. Work Product and GSI Property (as defined in paragraphs 14 and 16) shall be used exclusively in the production of items for GSI, and not be used for production, manufacture or design of any item for any other person, firm or corporation without GSI's prior written consent.

22. RIGHTS AND REMEDIES. In addition to any rights and remedies at law or in equity or under any other provision of these Terms, GSI shall also have the right to implement any of the following cumulative remedies: (a) In the event Supplier fails to provide the goods/services in accordance with the requirements of an order, Supplier will promptly and at its own expense correct, replace or repair, in a manner satisfactory to GSI, any goods/services found non-confirming, defective or rejected by GSI. (b) In the event Supplier fails to correct, replace or repair any non-conforming defective or rejected goods in a manner satisfactory to GSI, as set forth in a. above, GSI may do so at Supplier's expense.

23. WAIVER. No waiver of any provision of a PO shall constitute a waiver of any other provision, nor shall any waiver of a provision be deemed a continuing waiver.

24. GOVERNING LAW. All PO's are governed by and construed in accordance with the laws of the State of Illinois. The Circuit Court for the Fourth Judicial Circuit of Illinois, or the U.S. District Court for the Central District of Illinois shall have exclusive jurisdiction and venue over any disputes arising between Supplier and GSI under a PO. The Parties expressly waive their right to a jury trial.