

HCC PURCHASING TERMS AND CONDITIONS

Except where the context indicates otherwise, the term "Buyer" mean HCC Industries Inc. its subsidiaries Ametek SCP, Inc., HCC Aegis, Inc., Hermetic Seal Corporation, Ametek Ceramics, Inc. (aka General Ceramics), Glassteel Products, Inc., Sealtron, Inc., HCC Industries International and HCC Machinin g Company, Inc. The term "Seller" means the legal entity contracting with the Buyer. To the extent that any of the printed "Supplemental Terms and Conditions" shall be inconsistent with any of the "General Terms and Conditions", the Supplemental Terms and Conditions shall govern.

GENERAL TERMS AND CONDITIONS

(1) **Acceptance and Modification:** This order becomes a binding contract, subject to the terms and conditions thereof, when accepted by acknowledgment or commencement of performance. Any modification of this order, to be valid must be in writing and signed by Buyer's authorized purchasing representative. Any acknowledgment form or other form of Seller containing terms and conditions of sale submitted by Seller to Buyer shall not have the effect of modifying the terms and conditions hereof. Buyer will consider Seller's request for changes only if such request is made in writing and directed to specific clauses in this order. No change shall be binding upon Buyer unless specifically accepted in writing.

(2) **Packing and Shipment:** Deliveries shall be made as specified, without charge for boxing, crating, carting or storage unless otherwise specified, and material shall be suitably packed to secure lowest transportation costs and in accordance with the requirements of common carriers. Buyer's purchase order number and bill of lading reference must appear on each invoice. Buyer's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

(3) **Warranty:** Seller warrants that all material and work covered by this order will conform to the specifications, drawings, symbols or other description furnished or specified by Buyer and will be merchantable, of good material and workmanship and free from defect. Seller further warrants that all material covered by this order, which is the product of Seller or is in accord with Seller's specifications will be fit and sufficient for the purposes intended.

(4) **Inspection:** All articles will be subject to final inspection and approval by Buyer after delivery, notwithstanding prior payment, it being expressly agreed that payment shall not constitute final acceptance. Buyer may reject any article, which contains defective material or workmanship or does not conform to specifications or samples. Buyer may reject the entire shipment where it consists of a quantity of similar articles, and sample inspection discloses that the articles inspected contain defective material or workmanship or do not conform to specifications or samples, unless Seller agrees to reimburse Buyer for the cost of a complete inspection of the articles included in such shipment. Rejected articles may be returned at Seller's risk and expense at the full invoice price plus applicable transportation charges, if any. No replacement of defective material shall be made unless specified by Buyer.

(5) **Delivery:** Time is of the essence in this order. Production schedules at Buyer are dependent upon the delivery dates specified herein, and delays will substantially impair the value of the contract. Seller shall bear any premium shipping costs necessary to meet contractual delivery schedule. Seller shall report any anticipated delay immediately for whatever cause, including labor disputes, material shortages or other events affecting delivery. Buyer reserves the right to terminate this order without further liability to Buyer for anticipated delay and/or for any untimely delivery. Advanced shipments may not be made without Buyer's prior authorization.

(6) **Special Tooling:** (a) Unless otherwise herein agreed, special tools, dies, jigs, fixtures and patterns ("Special Tooling") used in the manufacture of said articles shall be furnished by and at the expense of Seller, shall be kept in good condition and, when necessary, shall be replaced by Seller without expense to Buyer. Buyer may at any time reimburse Seller for the cost of the special tooling and replacements and become the owner and entitled to the possession of same; (b) If the price stated on the face hereof includes separately the cost of any special tooling fabricated or acquired by Seller for the specific purpose of filing this order, such special tooling shall become the property of Buyer and, to the extent feasible, shall be properly identified by Seller as such. Seller shall at its own expense maintain such special tooling in proper working conditions during the period it is required for the performance of this order. When this order has been completed, such special tooling shall be disposed of as Buyer may direct.

(7) **Buyer Furnished Material:** Any material furnished by Buyer on other than a charge basis in connection with this order will be deemed held by the Seller for mutual benefit and title thereto shall at all times remain in the Buyer, and Seller agrees to pay for all such materials spoiled by it or not otherwise satisfactorily accounted for.

(8) **Insurance and Taxes:** (a) Seller agrees to procure a policy or policies of insurance in form satisfactory to Buyer, insuring to the full insurable value

thereof, all property on Seller's premises owned by Buyer against loss or damage resulting from fire (including extended-coverage), malicious mischief and vandalism. Satisfactory evidence of procurement of such insurance shall be submitted to Buyer upon request of Buyer, but failure to request such evidence does not relieve Seller of the obligation to maintain adequate insurance coverage.

(b) Seller agrees to assume and pay all taxes assessed against Buyer's property while in the possession of Seller, and to file all necessary declarations and reports in connection therewith.

(9) **Changes:** If the articles to be furnished hereunder are to be specifically manufactured in accordance with Buyer's drawings and specifications, Buyer may, by written order, make changes in drawings or specifications. Any difference in price or time for performance resulting from such changes shall be equitably adjusted and the order modified in writing accordingly.

(10) **Advertising:** Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has furnished or contracted to furnish to Buyer the articles herein mentioned.

(11) **Patents:** Seller guarantees that the sale or use of Seller's products will not infringe any U. S. or foreign patent and Seller shall save Buyer harmless from all judgments and decrees that may be entered against Buyer or Buyer's vendees, mediate or immediate, and against all costs and expenses that Buyer shall incur by reason of any infringement or claim thereof whether such infringement be direct or contributory and Seller covenants that it will upon Buyer's request, at Seller's expense, defend or assist in the defense of any suit or action that may be brought against Buyer or Buyer's vendees, mediate or immediate, or against those selling or using Seller's products by reason of any infringement or claim thereof predicated upon the sale or use of Seller's products.

(12) **Maximum Prices:** Seller certifies that the prices charged herein do not exceed the maximum prices permissible under any applicable price regulations, rulings, schedules or orders promulgated by any duly authorized governmental agency. Seller does not, by this verification, waive any right of protest or appeal granted by law or otherwise.

(13) **Compliance with Applicable Laws :** Seller agrees that, in the performance hereof, it will comply with all applicable laws, statutes, rules, regulations or orders of the United States Government or of any state or political subdivision thereof, and same shall be deemed incorporated herein by reference.

(14) **Cancellation:** Buyer reserves the right to cancel all or any part of the undelivered portion of this order if Seller does not make deliveries as specified in the schedules or if Seller breaches any of the terms hereof, including the warranties of Seller. Buyer shall also have the right to terminate this order or any part hereof in the event of the happening of any of the following insolvency of Seller filing of a voluntary petition in bankruptcy, filing of an involuntary petition to have Seller declared bankrupt, provided it is not vacated within thirty (30) days from the date of filing, the appointment of a receiver or trustee for Seller provided such appointment is not vacated within thirty (30) days from the date of such appointment, or the execution by Seller of an assignment for the benefit of creditors. The remedies provided in this section shall be cumulative and additional to any other or further remedies provided in law or equity.

(15) **Assignment:** This order may not be assigned by Seller without the consent in writing of Buyer.

SUPPLEMENTAL TERMS AND CONDITIONS

The following Supplemental Terms and Conditions shall be applicable if this order is issued for articles, materials and/or work required by Buyer for the performance of a contract with a department or agency of the Federal Government, or for the performance of a subcontract under such contract.

(16) **Changes:** Buyer may at any time, by a written order and without notice to sureties, if any, make changes within the general scope of this order in any one or more of the following (i) drawings, designs or specifications where the supplies to be furnished are to be specially manufactured for the Buyer in accordance therewith; (ii) method of shipment or packaging; and (iii) place of delivery. If any such change causes an increase or decrease in the cost of or the time required for, performance of this order, an equitable adjustment shall be made in the price or delivery schedule, or both and the order shall be modified in writing accordingly. Any claim by the Seller for adjustment under this clause must be asserted with 30 days from the date of receipt by the Seller of the notification of change: Provided, however, That Buyer, with the approval of the Contracting officer, if he decides that the facts justify such action may receive and act upon any such claim asserted at any time prior to final payment under this order. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of the Prime Contract entitled "Disputes." However, nothing in this clause shall excuse the Seller from proceeding with the order as charged.

(17) **Inspection:** All material and workmanship entering into the performance of the order may be inspected and tested, to the extent practicable, at all times and places, either before, during, or after manufacture, by inspectors employed

by Buyer or by the Government at Buyer's discretion. The exercise of this right of inspection and test, however, shall in no way relieve Seller of its obligation to furnish all articles, materials and/or work in strict accordance with the terms and provisions of the order. In case any of the articles, materials and/or work are found to be defective or otherwise not in conformity with the requirements of the order, Buyer shall have the right to reject the same or require that such articles, materials and/or work be corrected or replaced promptly with satisfactory materials or workmanship. If inspection and test are made on the premises of Seller, Seller shall furnish without additional charge all reasonable facilities and assistance for the sale and convenient inspection and tests required by the inspectors in the performance of their duty. All inspections and tests shall be performed in such a manner as not to delay the work unduly.

(18) **Drawings:** All drawings, specifications and data furnished by Buyer to Seller hereunder shall remain the property of Buyer and shall be used by Seller only as and to the extent required for the performance of this order, unless the Buyer shall otherwise approve in writing. Upon completion of work by Seller under this order, Seller when requested shall promptly return to Buyer all drawings, specifications and other data furnished by Buyer in connection herewith, together with all copies or reprints then in Seller's possession or control and Seller shall thereafter make no further use either directly or indirectly of any such drawings, specifications or data or of any information derived therefrom, without Buyer's prior written consent.

(19) **Buy American:** Seller warrants that the articles or materials furnished under this order will be mined or produced in the United States or will be manufactured from articles, materials or supplies mined or produced or manufactured in the United States in so far as required by the Domestic Preference Act (Act of March 3, 1933: 41 U.S.C. 10a-10c).

(20) **Walsh-Healey Act Fair Labor Standards Act, etc:** Seller warrants that the goods called for by this order have been or will be produced in compliance with the Fair Labor Standards Act of 1938 (Public Act No. 718-75th Congress) as amended and, in so far as applicable to this order, the Walsh-Healey Public Contract Act (Public Act No. 846-74th Congress) and any amendments thereto, as well as with the provisions of any other Federal Law with respect to labor relations, minimum wages and hours of employment, now in effect or hereafter enacted, and with any and all rules and regulations issued under each and every such act.

(21) **Officials Not to Benefit:** No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this order or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this order if made with a corporation for its general benefit.

(22) **Non-Discrimination:** Seller in performing the work required by the order shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin. Seller shall cause a like provision to be included in all subcontracts entered into under this order except subcontracts for standard commercial supplies or for raw materials.

(23) **Contingent Fees:** Seller warrants that no person or selling agency has been employed or retained to solicit or secure this order upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Seller for the purpose of securing business.

(24) **Notice of Labor Disputes:** Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, Seller will immediately give notice thereof to the nearest representative of the department of the Government contracting for the articles, materials and/or work covered hereunder. Such notice shall include all relevant information with respect to such dispute. This provision shall not be applicable to subcontracts for standard commercial supplies or for raw materials.

(25) **Certificates of Compliance:** Seller shall, upon request of the government or Buyer, furnish certificates of compliance with all Federal and State laws, rules and regulations that may be applicable to this order.

(26) **Approval of Source of Subcontracts:** All subcontracts and/or purchase orders for completed or substantially completed articles, spare parts or work covered by the Government contract under which this order is issued must be approved as to source by the Contracting Officer designated by the Government to administer such contract. The phrase "completed or substantially completed articles, spare parts or work" as used in this article is defined by Government regulations as "articles that are manufactured especially for the contract" and includes "special tools, dies, jigs, fixtures, etc., which have no general use in regular trade channels". Ordinarily standard or commercial standard articles, catalog or shell items or raw materials do not, in general, require prior purchase approval. Seller agrees to submit for approval of the Government Contracting Officer all procurements on its part for completed or substantially completed articles, spare parts or work, as defined in this article and to cause a similar provision to be included in all subcontracts and/or purchase orders issued hereunder.

(27) **Inspection and Audit of Books:** If this order constitutes a subcontract, Seller agrees that its books and records and its plant, or such parts thereof as may be engaged in the performance of this order, shall at all reasonable times be

subject to inspection and audit by any authorized representative of the Government. Seller shall cause a like provision to be included in all subcontracts hereunder.

(28) **Nonrebate of Wages:** Seller shall comply with the regulations of the Secretary of Labor pursuant to the Act of June 3, 1934, 48 Stat. 948 (U.S. Code Title 40, Secs. 276b and 276c), and any amendments or modifications thereof shall cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontractors subject thereto, and shall be responsible for the submission of affidavits required of subcontractors thereunder, except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions from the requirements thereof.

(29) **Military Security Requirements:** a) The provisions of the following paragraphs of this article shall apply only if and to the extent that this order involves access to classified matter, which as used in this clause shall mean information or material classified "Top Secret", "Secret", "Confidential" or "Restricted", as indicated on the order; b) Seller (i) shall be responsible for safeguarding all classified matter and shall not supply or disclose classified matter to any unauthorized person, (ii) shall not make or permit to be made any reproductions of matter classified "Top Secret", except with the prior written authorization of the Contracting Officer, (iii) shall not make or permit to be made any reproductions of matter classified "Secret", "Confidential", or "Restricted", except as may be essential to performance of the order, (iv) shall submit to the Contracting Officer, at such times as the Contracting Officer may direct an accounting of all reproductions of matter classified "Top Secret", "Secret" or "Confidential", and (v) shall not incorporate in any other project any special features or design of construction which will disclose classified matter, except with the prior written authorization of the Contracting Officer; c) Except with the prior written consent of the Secretary, or his duly authorized representative, of the Government Department contracting for the articles, materials and/or work covered by this order. Seller (i) shall not permit any alien to have access to classified matter and (ii) shall not permit any individual to have access to matter classified "Top Secret" or "Secret"; d) Seller agrees (i) to submit immediately to the Contracting Officer a complete confidential report of any information which Seller may have concerning existing threatening espionage, sabotage or subversive activity, (ii) to submit the Contracting Officer, upon written request, any and all information which Seller may have concerning any of its employees engaged in any work at any plant, factory or site at which work under this order is being performed, and (iii) to exclude from its plant, factory, site, or part thereof, at which work under this order is being performed, any person or persons whom the Secretary, or his duly authorized representative, of the Government Department contracting for the articles, materials, and/or work covered by this order in the interest of security may designate in writing; e) Seller is authorized to rely on any letter or other written instrument signed by the Contracting Officer, changing or entirely removing the classifications of the Government contract under which this order is issued or of any classified matter; f) The obligations of Seller under this article shall be in addition to any obligations of Seller to comply with all the terms and provisions of any applicable security or secrecy agreement heretofore or hereafter entered into between Seller and the Government; g) Seller agrees to insert in all subcontracts hereunder which involve access to classified matter, provisions which shall conform substantially to the language of this article, including this paragraph g; provided that such provisions need not be included in any subcontract as to which the Contracting Officer shall consent to the omission of such provisions.

(30) **Prompt Placement of Subcontracts:** Seller shall, as promptly as possible, place all subcontracts and purchase orders for materials or components required for the performance of this order and shall schedule deliveries thereof so as to enable Seller to adhere to, but not reasonably anticipate the schedule of deliveries set forth herein, Seller shall cause a like provision to be included in all subcontracts and purchase orders issued hereunder.

(31) **Renegotiation:** This order is subject to the Renegotiation Act of 1951. This order shall be deemed to contain all of the provisions required by Section 104 of the Renegotiation Act of 1951 to the same extent as if such provision had been fully set forth herein.

(32) **Patent Rights:** The government contract under which this order is issued includes standard Armed Service Procurement Regulations patent right clauses, copies of which will be furnished Seller on request. Seller agrees to grant Buyer rights coextensive with Buyer's obligation under such patent rights clauses.

(33) **Government-Furnished Property:** If any property owned by the Government is furnished Seller in connection with the performance of this order, Seller agrees to comply with all applicable governmental regulations with respect to the use, maintenance, repair and disposition of such property and records relating thereto.