



I-m-p-o-r-t-a-n-t N-o-t-i-c-e

August 1, 2006

Re: Purchase Order Policy Change

Dear Valued Customer;

First, let me thank you for your patronage and for the opportunity to provide you with our quality switching products. We very much appreciate your business.

Second, in an effort to reduce administrative costs and to improve the efficiencies of our ordering and manufacturing processes, we find it necessary to implement a number of changes that may affect you.

The following changes will become effective on September 1, 2006:

1. Each purchase order must total a minimum of \$100.
2. Each line item on the purchase order must total a minimum of \$100.
3. Each shipment from the purchase order must total a minimum of \$100.
4. Hermetic's *Conditions of Sale, paragraph 5, (Cancellation)*, is amended to read:
Any request to cancel an existing purchase order must be evaluated and approved in writing by Hermetic Switch. Cancellation charges may apply. These charges may include but are not limited to work in progress (WIP), dedicated inventory and/or finished products.

The following changes will become effective on January 1, 2007:

1. Each purchase order must total a minimum of \$200.
2. Each line item on the purchase order must total a minimum of \$200.
3. Each shipment from the purchase order must total a minimum of \$200.

Finally, as a reminder and in accordance with Hermetic's *Conditions of Sale, paragraph 14, (Order Rescheduling)*, *No reed switch orders will be rescheduled (pushed out) within 10 business days of the scheduled shipping date. No proximity sensor orders will be rescheduled (pushed out) within 25 business days of the scheduled shipping date.*

I regret any inconvenience these changes may cause you but we find them necessary for us to more efficiently service our customers. If you have any questions please contact your Hermetic Sales Specialist, your regional Sales Representative or me.

Best Regards,

Ray Morgan
Sales and Marketing Director