

Standard Terms & Conditions of Quotation and Sale

TERMS & CONDITIONS OF QUOTATION

BUYER'S OFFER RESULTING FROM SELLER'S QUOTATION IS EXPRESSLY CONDITIONED UPON BUYER'S ASSENT TO SELLER'S STANDARD TERMS AND CONDITIONS PRINTED BELOW. ALL ORDERS WILL BE SUBJECT TO ACCEPTANCE ON SELLER'S STANDARD SALES ORDER ACKNOWLEDGEMENT FORM BY SELLER AT SELLER'S APPROPRIATE ORDER ENTRY LOCATION. FURTHERMORE, ALL TERMS AND TERMS AND CONDITIONS PROPOSED BY BUYER, INCLUDING ANY TERMS CONTAINED IN ANY PURCHASE ORDER WHICH ARE DIFFERENT FROM OR IN ADDITION TO THIS AGREEMENT, ARE UNACCEPTABLE TO SELLER, ARE EXPRESSLY REJECTED BY SELLER, AND SHALL NOT BECOME PART OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN THE PARTIES. IF THERE IS ANY CONFLICT BETWEEN ANY TERMS PROPOSED BY BUYER AND THIS AGREEMENT, THIS AGREEMENT SHALL CONTROL.

TERMS & CONDITIONS OF SALE

ACCEPTANCE OF BUYER'S ORDER IS CONDITIONAL ON BUYER'S ASSENT TO THE TERMS AND CONDITIONS PRINTED BELOW. IF BUYER OBJECTS TO ANY TERMS BELOW, SUCH OBJECTION MUST BE IN WRITING AND DELIVERED TO SELLER WITHIN A REASONABLE TIME, NOT TO EXCEED TEN (10) DAYS OF RECEIPT OF THIS DOCUMENT. FAILURE TO MAKE SUCH A TIMELY EXCEPTION, OR ACCEPTANCE BY BUYER OF ANY GOODS DELIVERED BY SELLER HEREUNDER, SHALL BE CONCLUSIVELY DEEMED ASSENT TO THE TERMS AND CONDITIONS BELOW. SELLER'S FAILURE TO OBJECT TO PROVISIONS CONTAINED IN ANY COMMUNICATION FROM BUYER WILL NOT BE A WAIVER OF THE PROVISIONS HEREOF.

GENERAL PROVISIONS

1) Taxes

Prices do not include any taxes, now or hereafter enacted, applicable to the goods sold on this transaction. Taxes will be added by Seller to the sales price where Seller invoices the same to comply with law, and will be paid by Buyer unless Buyer provides Seller with a proper tax exemption certificate.

2) Prices, Releases and Setoff

Prices apply only if the quantity ordered hereunder is released for shipment within twelve (12) months (or longer if mutually agreed to in writing) from the date of Seller's receipt of Buyer's order. Otherwise, Seller's standard price in effect at time of release shall apply to quantity shipped and Buyer shall pay

the difference in price, if any, and Seller has the right to terminate this contract. In such event, Buyer is liable for termination charges as set forth in Paragraph 13a.

Buyer grants to Seller the right at any time during the course of this contract to revise prices hereunder by Seller giving to Buyer written notice, such revised prices to apply to all goods thereafter shipped.

If Buyer provides written objection within ten (10) days following notice of a price change established by Seller, Seller shall have the option of terminating this contract with no liability to Seller.

Buyer waives any rights or claims of setoff against Seller.

3) Title and Delivery

Unless alternate terms are quoted or agreed to, all shipments of goods shall be delivered ExWorks Seller's plant, and title and liability for loss or damage thereto shall pass to Buyer upon Seller's delivery of the goods to a carrier for shipment to Buyer, and any loss or damage thereafter shall not relieve Buyer from any obligation hereunder. Buyer shall be liable for costs of insurance and transportation and for all import duties, taxes and any other expenses incurred or licenses or clearance required at port of entry and destination.

Seller may deliver goods in installments. Shipping dates are approximate only. Seller shall not be liable for any loss or expense, whether by way of contract or tort, (consequential or otherwise) incurred by Buyer if Seller fails to meet the specified estimated delivery schedule because of unavoidable production or other delays.

All provisions of Paragraph 3 apply to both domestic and international shipments, except that title to goods shipped outside the U.S. shall pass at the point of destination; risk of loss or damage and all expenses associated with goods shipped outside the U.S. shall be the responsibility of the Buyer.

4) Quantities

Any variation in quantities shipped over or under the quantities ordered (not to exceed 10%) shall constitute compliance with Buyer's order and the stated unit price will continue to apply.

5) Terms and Method of Payment

Where Seller has extended credit to Buyer, terms of payment shall be net thirty (30) days from date of invoice. The amount of credit or terms of payment may be changed, or credit withdrawn by Seller at any time. If the goods are delivered in installments, Buyer shall pay separately for each installment. Payment shall be made for the goods without regard to whether Buyer has made or may make any inspection of the goods. If shipments are delayed by Buyer, payments are due from the date when Seller is prepared to make shipments. Goods held for Buyer are at Buyer's risk and expense.

6) **Contingencies and Force Majeure**

Seller shall not be liable for any delay in delivery or for non-delivery, in whole or in part, caused by the occurrence of any contingency beyond the control either of Seller or Seller's suppliers, including, but not limited to, war (whether an actual declaration thereof is made or not), sabotage, insurrection, riot or other act of civil disobedience, act of a public enemy, failure or delay in transportation, act of any government or any agency or subdivision thereof, judicial action, labor dispute, accident, fire, explosion, flood, storm or other act of God, shortage of labor, fuel, raw material or machinery or technical failure where Seller has exercised ordinary care in the prevention thereof. Seller may allocate production and deliveries among Seller's customers.

7) **Legal Compliance**

Buyer, at all times, shall comply with all applicable federal, state and local laws and regulations. Export of the products covered by this quotation or acknowledgment may be subject to export license control by the U.S. government. It is Buyer's responsibility to obtain any licenses which may be required under the applicable laws of the U.S. including the Export Administration Act and regulations promulgated thereunder.

8) **Changes**

Any notice or instruction from the Buyer received subsequent to Seller's acknowledgment, including supplementary information contained in a confirming purchase order, which has the effect of changing the specifications, scope of work, or other terms, will be effective only upon an appropriate adjustment in the price and/or delivery date, and acceptance of any change by Seller in writing.

9) **Limited Warranty**

THE FOLLOWING IS IN LIEU OF ALL REPRESENTATIONS, GUARANTIES, OR WARRANTIES EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OBLIGATION ON THE PART OF SELLER, OR ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Seller, except as otherwise hereinafter provided, warrants the goods will conform to Seller's written specifications and drawings, and other written descriptions of Seller, for a period set forth in the schedule below. Seller warrants that at the time of delivery Seller has title to the goods free and clear of any and all liens and encumbrances. These warranties are the only warranties made by Seller and can be amended only by a written instrument signed by an officer of Seller.

Seller's warranties shall be for the following period:

All Electrical and mechanical controls and wire harness products – eighteen (18) months from the date of shipment or twelve (12) months from the date of resale by Buyer to Buyer's customers, whichever is first to expire.

Continued use or possession of goods after expiration of the applicable warranty period stated above shall be conclusive evidence that the warranty is fulfilled to the full satisfaction of Buyer. Seller makes no warranty as to experimental or developmental goods or goods not manufactured by Seller, provided that as to goods not manufactured by Seller, Seller, to the extent permitted by Seller's contact with its supplier shall assign to Buyer any rights Seller may have under any warranty of the supplier thereof.

Seller's warranties as hereinabove set forth shall not be enlarged, diminished or affected by, and no obligation or liability shall arise or grow out of Seller's rendering of technical advice or service in connection with Buyer's order of the goods furnished hereunder.

10) Product Application Indemnity

Buyer covenants and agrees at all times to protect, defend, hold harmless, and indemnify Seller, its directors, officers, shareholders, employees, representatives, agents, successors, and assigns from and against any and all claims for loss, damage, or injury and from and against any suits, actions, or legal proceedings of any kind brought against Seller, or such other parties by or on account of any person, persons, or entities or on account of any injuries or damages alleged, received, or sustained by any person, persons, or entities in any manner whatsoever arising, including without limitation personal injury and property damage, (including, without limitation, by reason of negligence, breach of warranty, defect in material or workmanship, or otherwise, and even through strict liability be claimed), directly or indirectly caused by, incident to, or growing out of (a) the use of the goods, (b) any act or omission of Buyer or its agents, employees, directors or officers, (c) Buyer's breach of this Agreement, or any other agreement with Seller, (d) for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark or copyright arising out of or caused by reason of any act or omission of Buyer, or (e) for actual or alleged misuse or misappropriation of a trade secret or other confidential or proprietary information resulting directly or indirectly from Buyer's action. Buyer further agrees to take upon itself the settlement of such claims in the defense of any suit, suits, or legal proceedings of any kind brought to enforce such claim or claims, and to pay all judgments entered in such suit, suits, or legal proceedings, and all costs of attorney's fees or other expenses. Buyer agrees that in any instance where such claims in any way affect Seller's interest under this Agreement or otherwise, Buyer shall not consummate any settlement without Seller's prior written consent. Buyer covenants of indemnity herein shall continue in full force and effect notwithstanding the termination or expiration of the Agreement.

11) Exclusive Remedies

If the goods furnished by Seller fail to conform to Seller's limited warranty above, Seller's sole and exclusive liability shall be (at Seller's option) to repair, replace or credit Buyer's account for any such goods which are returned by Buyer during the applicable warranty period set forth above, provided that (i) Seller is promptly notified in writing upon discovery by Buyer that such goods failed to conform to the limited warranty set forth above with a detailed explanation of any alleged deficiencies, (ii) such goods are returned to Seller, F.O.B. Seller's plant, and (iii) Seller's examination of such goods shall disclose to Seller's satisfaction that such alleged deficiencies actually exist and were not caused by accident, misuse, neglect, alteration, improper installation, unauthorized repair or improper testing, or as otherwise

falls under the limited warranty under Section 9 above. If such goods are non-conforming, Seller shall reimburse Buyer for the transportation charges paid by Buyer for such goods. If Seller elects to repair or replace such goods, Seller shall have a reasonable time to make such repairs or replace such goods.

IN NO EVENT SHALL SELLER BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHATSOEVER, ARISING OUT OF THE BREACH OF ANY PROVISION OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, LOSS OF BUSINESS OR PROFITS, OR ANY RECALL OF THE GOODS, EVEN IF SELLER IS ADVISED, OR SHOULD HAVE KNOWN, THE POSSIBILITY OF SUCH DAMAGE OR LOSS. THE LIABILITY OF SELLER, WHETHER IN CONTRACT, TORT, UNDER ANY WARRANTY, OR OTHERWISE SHALL NOT EXTEND BEYOND THE LIMITED WARRANTY SET FORTH IN SECTION 9 ABOVE, AND ANY AND ALL DAMAGES IMPOSED UPON SELLER UNDER THIS AGREEMENT, SHALL IN NO EVENT EXCEED THE AMOUNT BUYER HAS PAID TO SELLER FOR GOODS FOR THE TWELVE MONTH PERIOD PRIOR TO THE DATE OF THE INCIDENT GIVING RISE TO THE CLAIM HEREUNDER. THE REMEDIES OF BUYER SET FORTH HEREIN ARE EXCLUSIVE AND ARE ALL IN LIEU OF ALL OTHER REMEDIES.

Seller shall not be responsible for any damage or injury resulting to or caused by any of the goods for any reason, including without limitation, by reason of improper storage, unauthorized service, alteration of the goods, or neglect or abuse or the use of any goods in a manner inconsistent with its design. Seller shall not be liable for any delays or losses caused by Seller's error, unless such delays and losses are caused by the gross negligence or willful misconduct of Seller, in which case Seller's liability shall be limited as provided elsewhere herein. Buyer acknowledges and agrees that if Buyer identifies specific applications for the goods, Seller shall not be responsible for any deviations from the applications or nondisclosure of Buyer of any additional information. If design and specifications are specified by Buyer, the parties agree that Buyer is exclusively responsible for design and specifications. Seller shall not be responsible for the correctness or adequacy of any design details, plans, or material not furnished by Seller. The parties further agree that Seller shall not be responsible for any goods which have been modified or integrated with other goods not designed, selected or provided by Seller.

12) Acceptance of Product

Acceptance shall be presumed conclusively to have occurred thirty (30) days following delivery of product to Buyer, unless Buyer has accepted the product prior to that date.

13) Termination and Cancellation

- a. Buyer may terminate this contract in whole, or from time to time, in part, upon thirty (30) days advance written notice to Seller. In such event, Buyer shall be liable for termination charges which shall include: a price adjustment based on the quantity of goods actually delivered and all cost, direct and indirect, incurred and committed for this contract; together with a reasonable allowance for prorated expenses and anticipated profits.
- b. If, in Seller's judgment, the Buyer's financial condition does not justify the terms of payment specified, Seller may cancel this contract unless Buyer shall immediately pay for all goods which have been delivered and pay in advance for all goods prior to delivery.
- c. Seller may terminate this contract in whole, or from time to time, in part, upon thirty (30) days advance written notice to Buyer. In such event, Buyer shall be liable for termination charges which shall include: a price adjustment based on the quantity of goods actually

delivered and all cost, direct and indirect, incurred and committed for this contract; together with a reasonable allowance for prorated expenses and anticipated profits.

14) Non-Waiver of Default and Collection Rights

In the event of any default by Buyer, Seller may invoke any remedy provided by law or by the terms herein stated, and may decline to make further shipments. If Seller elects to continue to make shipments, Seller's actions shall not constitute a waiver of any default by Buyer or in any way affect Seller's legal remedies for any such default.

In the event Seller fails to make payment on time as provided herein, Buyer will pay all costs of collection for amounts owed to Seller, including, but not limited to, attorney's fees, court costs, and interest in the amount of 1% per month (12% per annum), from the date the amount is due.

15) Applicable Law and Forum

The validity, performance and construction of this contract shall be governed by the laws of the state of Ohio. In the event of any dispute or controversy arising hereunder, the parties agree that the courts of Stark County, Ohio, or the Federal District Court with jurisdiction over Stark County, Ohio, shall be the sole and exclusive jurisdiction for the resolution of any such dispute or controversy between the parties hereunder.

16) U.S. Government Contracts

If the goods to be furnished under this contract are to be used in the performance of a U.S. Government contract or subcontract, and a U.S. Government contract number shall appear on Buyer's purchase order, those clauses of the applicable U.S. Government procurement regulations which are required by Federal Statute to be included in U.S. Government subcontracts are incorporated herein by reference.

17) Assignment

This contract is binding upon and inures to the benefit of the parties and the successors and assigns of the entire business and goodwill of Buyer, or of that part of the business used in the performance of this contract, but shall not be otherwise assignable, without the prior written consent of Seller.

18) Affidavits and Certificates

No certificates of compliance, conformance, or chemical analysis shall be provided unless Buyer's detailed requirements are stated on the face of the Buyer's order. Seller reserves the right to charge an additional fee for any such certificate.

19) Sizes, Tolerances, Inspection and Samples

Quotations are preferably made on the basis of Buyer's prints. When quotations are made on the basis of samples or otherwise, the dimensions on which the quotation is based will be stated. USE OF, OR REFERENCE TO SAMPLES, SHALL NOT ENLARGE, AFFECT OR ALTER THE LIMITED WARRANTY (PARAGRAPH 9) OR REMEDY (PARAGRAPH 11).

Where Buyer requires samples from Seller to verify completion of fitting-up, Buyer will pay for such fitting-up within thirty (30) days after receipt of the samples, unless Buyer within such period gives Seller a detailed written description of any allowable variance from specifications, in which case Buyer will promptly pay upon correction of such variances.

The dimensions for quoting and manufacturing are the mean specifications and are subject to the normal tolerances for variations.

20) Tools and Dies

Unless otherwise provided herein, even though fitting-up charges may be specified, all tools and dies, including, without limitation, fixtures, gauges and assembly equipment manufactured for this contract, will be Seller's property, but will be retained by Seller for Buyer's non-exclusive use; provided, however, that Seller may dispose of such tools and dies if Buyer does not order from Seller goods for manufacture there from within any one (1) year period.

If any tools and dies manufactured by Seller are to become Buyer's property, it must be specifically so provided on the face hereof. Any such tools and dies, or any materials, tools, dies and other equipment furnished by Buyer to Seller, shall be at Buyer's sole risk and expense, and Seller shall not be liable for loss, damage, maintenance, repair or renewal, regardless of cause. If Buyer desires to withdraw such tools and dies from Seller's plant, and if Seller consents to permit Buyer to withdraw them, for any reason, Buyer will first compensate Seller for any cost incurred with respect to them, including, without limitation, design and development costs.

21) Severability of Terms

In the event that any provision of this Agreement is held to be invalid or unenforceable under any applicable laws, orders, and/or regulations, this Agreement shall be considered divisible as to such provision, and such revision shall be considered inoperative, but the remainder of this Agreement shall be valid and binding as though such provisions were not included therein, and the parties shall engage in bona fide negotiations to amend this Agreement to comply with the requirements of applicable laws, orders, and/or regulations.

22) Release of Information

Neither party hereto shall, without the prior written consent of the other party (which will not be unreasonably withheld), publicly announce or otherwise disclose the existence of the terms of this Agreement, or release any publicity regarding this Agreement. This provision shall survive the expiration, termination or cancellation of this Agreement.

23) Modification

THE QUOTATION AND THESE TERMS AND CONDITIONS CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES RELATING TO THE SALE OF THE GOODS DESCRIBED ON THE FACE HEREOF, AND NO ADDITION TO OR MODIFICATION OF ANY PROVISION HEREIN SHALL BE BINDING UPON SELLER UNLESS MADE IN WRITING AND SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF SELLER LOCATED AT SELLER'S APPROPRIATE ORDER ENTRY LOCATION.

24) Confidentiality.

Buyer acknowledges that Seller possesses certain confidential or proprietary information of Seller, and of Seller's customers, including, without limitation, designs, data, ideas, drawings, specifications, trade secrets, formula, technical experience, financial data, financial information, and other valuable, confidential and proprietary information, which may be disclosed to Buyer or for which Buyer may have access. At all times thereafter, Buyer agrees not to disclose to any person, firm, or entity any Confidential Information, except to those of its employees who have a need to know and only to the extent the employee has signed an agreement of confidentiality restricting any disclosure of such Confidential Information. Furthermore, Seller retains exclusive ownership of all of its Confidential Information, and Buyer obtains no license or other rights thereto. At any time upon request of Seller, or upon expiration or termination of this Agreement, Buyer agrees that it shall immediately return any and all Confidential Information of Seller, regardless of form or location of such information. Notwithstanding the above, the covenant to keep such information confidential shall survive the return of such information to the other party. Buyer's obligations of confidentiality under this Article shall survive expiration or termination of this Agreement.

Seller shall retain any and all patent, copyright, trademark, service mark, or any other intellectual property rights with regard to the goods and Confidential Information of Seller, or any services or products arising out of or relating to the goods and Confidential Information of Seller hereunder. Furthermore, Buyer agrees to disclose promptly to Seller all inventions, discoveries, and improvements conceived, or first actually reduced to practice in the performance of, or arising out of, the goods and Confidential Information of Seller. Buyer shall and hereby does assign to Seller or anyone designated by Seller all right, title, and interest in and to such inventions, discoveries or improvements and patents therefor. Buyer hereby undertakes and agrees to execute such assignments and other papers which, in the opinion of Seller, are necessary at any time to permit the filing and prosecution of any applications for patents covering the inventions, discoveries or improvements or are otherwise required for compliance with the terms of this provision. In the event that others are used by Buyer in connection with the work called for by this Agreement, Buyer agrees to procure for them similar agreements and to cooperate with Seller in procuring execution by them of such assignments and other papers as may be required.

Buyer hereby represents and warrants that it owns, or possesses valid licenses for, all intellectual property rights, including, without limitation, any marks related to or otherwise associated with the specifications or design of the goods provided by Buyer to Seller.

Buyer acknowledges that its breach, or threatened breach, on its part of this Agreement shall result in irreparable and incalculable damages to Seller. Therefore, in addition to any action by Seller for collection of damages resulting from the breach of this Agreement, Seller shall also be entitled to immediate injunctive relief, restraining Buyer from continued or threatened breach of this Agreement. Buyer further agrees that upon breach of any term of this Agreement, Buyer shall pay to Seller the costs and expenses, including attorneys fees, which it incurs in enforcing the terms of this Agreement.

25) Default.

In the event that Buyer fails to pay any amount due to Seller, or otherwise breaches any obligation or covenant contained to Seller, Seller may, in its discretion, in addition to all other remedies to which Seller may be entitled without affecting an election of remedies, cancel or terminate all obligations to Buyer upon notice to Buyer, or suspend performance by Seller until Buyer pays for such charges or amounts.

26) Insurance.

Each party shall maintain, at its own cost and expense, comprehensive general liability, including products liability and completed operation, insurance with an insurance carrier of national reputation, to a combined single limit of \$2,000,000 for bodily injury and property damage arising out of any one incident. Each party agrees to obtain a waiver of subrogation clause in its policies hereunder and provide evidence thereof to the other party. Each party agrees to waive any rights each may have against the other on account of any loss or damage occasioned to either arising from any risk covered by insurance, provided such waiver does not invalidate any such policy.

27) Remedies

In the event of breach by Buyer of any of its obligations hereunder, Seller shall have the right to pursue any remedy afforded Seller hereunder and any other remedy at law or in equity.

28) Assignment/Subcontract.

Buyer shall not assign, transfer, or sublicense its rights and duties hereunder without the prior written consent of Seller; however, Seller may assign or transfer this Agreement.

29) Notices.

Any notice, request, demand or other communication given under this Agreement shall be in writing and shall be deemed sufficiently given upon the date received by the intended recipient if delivered by hand, overnight courier, or via telefax, provided confirmation of receipt is retained, addressed to the recipient at the address set forth hereinabove. Either party may advise the other in writing of any change in address or designated person to receive such notice as provided above.

30) No Waiver.

Failure of either party to exercise in any respect any right provided for herein shall not be deemed a waiver of any right hereunder.

31) Relationship of Parties.

Buyer and Seller are independent contracting parties and nothing in this Agreement shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party the authority to assume or create any obligation on behalf or in the name of the other. Furthermore, the parties shall remain separate and independent contracting parties and nothing in this Agreement shall make either party subject to a joint venture agreement or other mutual arrangement between the parties.

32) Attorneys' Fees.

If either party hereto breaches any of the material terms hereof, the breaching party shall pay the non-breaching party any costs and expenses, including attorneys' fees, incurred by the non-breaching party in enforcing the terms hereunder.

33) Survival.

All provisions of this Agreement relating to confidentiality and indemnity shall survive the termination of this Agreement.

1.0	INITIAL ISSUE	JEK	MAJ	04/18/2013
IND	REVISION DESCRIPTION	REVISED BY	REVIEWED BY	DATE