

STANLEY ELECTRIC U.S. CO., INC.

PURCHASE ORDER/ORDER SHEET TERMS AND CONDITIONS

1. General. Each Purchase Order (“Order”) of **STANLEY ELECTRIC U.S. CO., INC.** (“Buyer”) for the goods and/or services covered by the Order (collectively, whether goods and/or services, “Products”), together with the agreements, specifications, policies and/or other documents specified in, attached to or otherwise applicable to the Order (“Agreements”), and including these Purchase Order/Order Sheet Terms and Conditions (“Terms and Conditions”), constitutes the complete and final agreement of Buyer and the vendor to whom the Order is addressed (“Seller”), and Seller may only add to, modify, supersede or alter them upon consultation with and written agreement of Buyer’s authorized representative, notwithstanding any terms and conditions which may now or in the future appear on Seller’s invoices, quotations, acknowledgments or other forms, and notwithstanding any acceptance of shipment, payment or other similar act of Buyer, objection thereto being given hereby. Prompt acceptance of an Order by affirmative response is requested but, in any event, any shipment, delivery or other tender of performance of Seller, or Seller’s failure to notify Buyer of a rejection within five (5) business days from the issue date, shall be taken as Seller’s acceptance of the Order and these Terms and Conditions. In the event of direct conflict between an Order and the Agreements, the provisions of the Order shall prevail.

2. Order Changes. Buyer shall have the right at any time to change any Order as to delivery, quantity, packaging or means of shipment; provided, however, Buyer shall consult with Seller regarding any effects of such change on the terms of the Order, including cost and delivery. Seller’s receipt of Buyer’s notice of change without response received by Buyer within 5 days, or shipment or other performance reflecting the change, whichever occurs first, shall be Seller’s acceptance of the change without any price or other adjustment to the Order.

3. Packaging, Transportation. Seller shall pack, label and ship all Products in a commercially reasonable manner selected by Seller which shall ensure the timely, safe and conforming delivery and the lowest transportation cost in the absence of specific instructions in the Order. Unless otherwise specified in the Order, all shipments are F.O.B. Buyer’s place of delivery or destination; provided, however, that title to and risk of loss of Products shall not shift to Buyer until Buyer provides Seller receipt of acceptance. Buyer’s count of the Products shall be final as to all shipments not accompanied by a packing list.

4. Delivery. Dates and times for delivery and quantities specified for Products are of the essence and are for delivery at Buyer’s designated place of delivery or destination. Seller shall inform Buyer immediately of any occurrence which will or is expected to result in delivery at a time or a quantity not specified in the Order, and take any corrective measures instructed by Buyer. Seller shall compensate Buyer for any expenses and/or damages incurred by Buyer as a result any such occurrence.

5. Price, Taxes, Payment. Unless otherwise specified in the Order, all prices shall be inclusive of all packing, freight, insurance and other expenses, as well as applicable taxes, excises, duties, quotation fees or any other governmental impositions related to the production, sale or transportation of the Products. Buyer and Seller shall cooperate in obtaining such

Seller (excluding profit or losses) of work in process and raw material, less, however: (1) the agreed value of any items used or sold by Seller; and (2) the reasonable value or cost (whichever is higher) of any defective or damaged work or material. Buyer will make no payments for finished work, work in process or raw materials fabricated or procured by Seller unnecessarily in advance or in excess of Buyer’s requirements. Payment under this clause shall constitute Buyer’s only liability in the event an Order is terminated.

(B) **Standard Products.** If the Products ordered are normally carried in inventory by Seller (as distinguished from subsection (A) above), Buyer shall not have liability for termination of the Order, in whole or in part, prior to actual shipment and within 10 days after receipt of Products by Buyer, except that in such latter situation Buyer shall return such Products to Seller at Buyer’s expense.

(C) **Limitation.** The payment required under this section 9 shall be Seller’s sole remedy and shall in no event exceed the applicable Order price.

10. Buyer’s Property. All business and technical information and intellectual property, including but not limited to all tools, metal molds, tooling, measuring instruments, equipment, dies, jigs and specifications related to the manufacture of the Products (“Loaned Goods”) and all patents, trade secrets, trademarks, copyrights, title and interest in any and all know-how, methodologies, products, production methods, processes, sources of supply, customers, inventions, ideas or otherwise, and all other confidential and propriety information of Buyer (“Proprietary Materials”), which are furnished to Seller or paid for by Buyer, or to which Seller otherwise has or obtains access, shall be: (A) deemed to have been provided only to facilitate the sale of Products under the Order and shall not be used by Seller for any other purpose; (B) retained in confidence and at Seller’s sole risk; (C) the sole property of Buyer; and (D) if in tangible form, maintained by Seller and returned to Buyer with final shipment or termination under the Order.

11. Products Indemnity. Except to the extent due solely to the manufacture or fabrication of Products strictly in compliance with designs or specifications supplied by Buyer, Seller agrees to indemnify, defend and hold Buyer harmless from and against any and all loss, cause, claim, damages, injury, death or other liability, including attorneys’ fees (collectively, “Claims”), arising out of or resulting from (A) the Products purchased from Seller under this Order and/or (B) Seller’s negligence, willful misconduct or breach of these Terms and Conditions.

12. Intellectual Property Indemnity. In the event that any Claims are brought against Buyer relating to the trade names, trademarks, copyrights or patents, and/or are based upon unfair competition by reason of sale or use of Seller’s Products, Seller shall indemnify, defend and hold Buyer harmless from and against any and all such Claims resulting from or related thereto. Seller shall not be liable for any such infringement which is due solely to the manufacture or fabrication of Products strictly in compliance with designs or specifications supplied by Buyer.

13. On-Premises Indemnity. To the extent that Seller’s employees, agents or other representatives (“Seller’s Agents”) are on the premises of Buyer, Seller shall be responsible for the acts and omissions of Seller’s Agents upon Buyer’s premises and agrees to indemnify, defend and hold Buyer harmless from and

certificates or other evidence of inapplicability of or exemption from any sales, excise or other taxes to which either party may be entitled. Unless otherwise specified in the Order, payment terms for Products shall be from delivery of the Products or receipt by Buyer of a correct invoice for the Products, whichever occurs later, and net 45 days pursuant to payment methods agreed upon by the parties. If Buyer has a claim against Seller, Buyer may offset against such claim amounts owed by Buyer for Products.

6. Seller's Warranties. Seller warrants within the warranty period to be required by the Purchaser's customer, that the Products furnished pursuant to the Order shall: (A) be not less than merchantable and fit for the particular purpose(s) known by or disclosed to Seller; (B) meet specifications, drawings or other standards agreed upon or samples submitted or approved by Buyer and shall conform to the Agreements; (C) comply with all applicable federal, state and local laws, regulations, rules, ordinances, orders and the like ("Laws"); (D) be free from all lawful claims of any person of any description, including all security interests, liens and encumbrances; and (E) not include any prohibited substances regarding which Buyer has informed Seller or prohibited under the Laws. Payment by Buyer shall not constitute acceptance of the Products or waive any rights of Buyer under the Order. In the event that any Products are not in compliance with the warranties stated herein, Buyer may at Seller's cost and expense, and without limitation or exclusion of any other right or remedy, return the defective Products to Seller at Seller's risk of loss for a full refund by Seller and/or, at Buyer's option, require Seller to repair, correct or replace the defective Products.

7. Inspection. All Products shall be subject to final inspection by Buyer which shall be made within a reasonable time after receipt, irrespective of day of payment, and any Products which are not fully satisfactory to Buyer may be rejected by notice to Seller. Rejected Products are to be replaced with conforming Products immediately after notice of rejection, or at the option of Buyer, the quantity of Products may be reduced by the number of rejected Products.

8. Termination of Supply. In the event Seller intends to discontinue the manufacture or supply of Products, Seller shall give written notice to Buyer not less than two (2) years prior to discontinuance with respect to Products containing electronic components and not less than six (6) months with respect to all other Products prior to such discontinuance and shall, at Buyer's option, (A) advise Buyer regarding an equivalent alternative source of supply; and/or (B) manufacture and supply the stock quantity of Products which Buyer will require in the future after such discontinuation.

9. Cancellation of Orders. Buyer may cancel or terminate an Order in whole or in part by written notice to Seller of its intent to cancel or terminate at least 7 days prior to the effective date of such cancellation or termination, provided that if such cancellation or termination is due to the bankruptcy or insolvency of Seller or other cause due to a default by Seller, such cancellation or termination may take effect immediately. Upon the effective date of any cancellation or termination Seller shall terminate work pursuant to the Order. In the event of a cancellation or termination, for reasons other than the bankruptcy or insolvency of Seller or other cause due to a default by Seller, Buyer and Seller agree as follows:

(A) Specialized Products. If the Products ordered are made

against any Claims, including without limitation: (A) the failure of Seller's Agents to comply with applicable rules governing security, maintenance and safety at Buyer's premises; (B) any Claim against Buyer by Seller's Agents for injury or otherwise; or (C) any Claim against Buyer resulting from Seller's failure to maintain workers' compensation or other public or private insurance with respect to any of Seller's Agents. In furtherance of the foregoing, Seller hereby expressly waives any and all statutory and/or constitutional immunity to which it might be entitled as an employer in compliance with the State of Ohio's or any other jurisdiction's workers' compensation laws or under any other employee benefit statutes or similar laws of any jurisdiction.

14. Insurance. Seller shall maintain insurance, in amounts customary in Seller's industry, with reputable and financially responsible insurance companies, insuring against all public liability, including injury and death to persons, products liability and damage to property, arising out of or related to the Products, Buyer's property in Seller's possession or under Seller's control and Seller's performance under an Order, and shall furnish Buyer, upon request, certificates of such insurance authenticated by the issuing company. Except as otherwise agreed by Buyer, Seller will insure all shipments of Products for full value. Seller shall also maintain workers' compensation insurance covering all employees and shall provide certification of such insurance if requested by Buyer. Buyer's failure to request to provide the certification shall not be a waiver of this requirement.

15. Force Majeure. Buyer or Seller may suspend performance during the occurrence of an excusable delay, which shall mean any delay not occasioned by the fault or negligence of the delayed party which results from the acts of God or public enemy, restrictions, prohibitions, priorities or allocations imposed by governmental authority, embargoes, floods, fires, typhoons, earthquakes, epidemics, unusually severe weather, delays of similar nature or governmental causes, and strikes or labor disputes (of or involving the delayed party's employees only). Excusable delays do not include lockout, shortage of labor, lack of or inability to obtain raw materials, fuel or supplies or any other industrial disturbance. Nothing contained in this section shall limit Buyer's rights under an Order in any way, except that in the event of Seller's excusable delay, Seller shall not be liable for Buyer's incidental or consequential damages resulting from that delay. In any event, if any excusable delay lasts longer than three (3) months, either party may terminate any Order(s) affected thereby with no further liability thereunder.

16. Miscellaneous. The laws of the jurisdiction in which Buyer is located shall govern Buyer's Orders, Agreements and Terms and Conditions (collectively "THIS AGREEMENT"). Any dispute arising from or in connection with THIS AGREEMENT shall be submitted to an arbitration to be held in the state, province or equivalent jurisdiction in which Buyer is located and settled in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The language of the arbitration shall be English and the number of arbitrators shall be 3. Any judgment rendered by the arbitrators shall be final and binding upon both parties and may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, either party may apply to a court having jurisdiction hereof and seek temporary or permanent injunctive or other equitable relief. If any provision is or becomes invalid or unenforceable under any law of mandatory application, it is the intent of the parties that such provision shall be deemed severed and omitted from THIS AGREEMENT, the

specifically for Buyer and cannot be sold to other purchasers, upon termination by Buyer, Seller shall advise Buyer of the quantities of applicable work and material on hand and the most favorable disposition that Seller can make thereof. Seller shall comply with Buyer's instructions regarding disposition of such work and material. All claims by Seller based on such termination must be asserted within 60 days from the date of the termination notice for the amount of the Order price of finished work plus the cost to

remaining portions of THIS AGREEMENT to remain in full force and effect as written. Without Buyer's prior written consent, Seller shall not advertise or publish in any manner that Seller has furnished Products to Buyer. Neither party may assign any rights or any duties under THIS AGREEMENT without a prior written consent of the other party. In all cases clerical errors are subject to correction.