

## Omron Purchase Terms and Conditions

**Terms and Conditions: Acceptance.** Buyer offers to purchase the goods and services (the "Products") specified in this Order subject to these terms and conditions ("Terms"). Seller's starting work on this Order, or five (5) days with no rejection, whichever is first, constitutes acceptance of this Order and these Terms. Acceptance of this Order is limited to acceptance of its express terms. Any additional or different terms Seller proposes in its acknowledgment or otherwise are deemed material, and Buyer hereby objects to such terms. If this Order is deemed an acceptance of a prior offer by Seller, such acceptance is limited to the express terms hereof.

**Change Orders.** At any time Buyer may change the Specifications, packaging, time and place of delivery, and method of transportation. If any such change causes a material increase or decrease in the cost or time of performance, the parties agree to make an equitable adjustment and modify this Order accordingly. Any increase in price will not exceed the actual cost increases and must be supported with documentation provided by the Seller. Seller agrees to accept any such change. Seller shall not make any changes in the design or composition of the Products or the location where these Products are manufactured without written authorization from Buyer. Seller may not increase the lead time of any Product without Buyer's written consent thereto which may be withheld, conditioned, or delayed in Buyer's reasonable discretion. Any change in lead time will come into effect only after a period equal to the newly agreed lead time has expired.

**Payment; Inspection; Etc.** Payment terms are as provided on the face hereof or otherwise stated by Buyer; provided Buyer is deemed to accept and be qualified for all applicable prepayment discounts. Payment (in part or whole) for the Products shall not constitute acceptance. Seller will promptly submit correct and complete invoices to Buyer after delivery of Products. Buyer may inspect the products. If Buyer rejects any Non-Conforming Products, Buyer may elect to (i) require Seller, at Seller's sole cost, to repair or replace the rejected Products at the location specified by Buyer, (ii) purchase similar Products from another source, (iii) produce similar products itself, (iv) repair the products itself or have a third party repair the Products, or (v) retain the rejected Products; in each case without limiting the exercise by Buyer of any other rights available to Buyer under these Terms or pursuant to applicable law. All returns of Non-Conforming Products are at Seller's sole risk and expense. Buyer's acceptance of any Products will not be deemed to be a waiver or limitation of Seller's obligations including those obligations with respect to Seller's Product warranties and Seller's duty to indemnify Buyer. Upon reasonable notice, Seller agrees to allow Buyer access to Seller's premises to inspect and verify that the Products conform to the Specifications and Buyer's Supplier Quality Manual.

**Warranties.** Seller warrants that all Products: (a) are merchantable and fit for the particular purpose intended by Buyer and its customers of which Seller is aware (and Seller acknowledges that it knows of Buyer's intended use of the Products and that such Products have been selected, designed, manufactured, or assembled by Seller based upon Buyer's stated use and will be fit and sufficient for the particular purposes intended by Buyer; (b) conform to applicable Specifications, including Governmental Requirements regarding importation, the environment, motor vehicle safety and performance, safety and health; and labor, employment and discrimination; (c) do not (and their use or incorporation in other products by Buyer will not) infringe any patent, copyright, trademark or other intellectual property right (unless the Product is designed by Buyer); (d) will be free of latent and patent defects in design, materials and workmanship as well as in shipping, handling, packaging, and processing, and (e) will be new and conveyed by Seller to Buyer with good title, free and clear of all liens. The warranty term hereunder shall be the longer of three years or the effective warranty term granted by the automotive OEM using the Products (whether as standard warranty or by special extension). Seller shall reimburse Buyer for all expenses, costs, and liabilities (including labor charges and attorney's fees and disbursements) incurred by Buyer in connection with the sale or use of any Products claimed to be defective or Seller's breach of warranty hereunder, including all liabilities, costs and expenses of Buyer: (i) incurred as a result of returning, disposing of, repairing, or replacing any Non-Conforming Products; (ii) arising in any way in connection with any Buyer Customer Claim; (iii) arising in connection with problems in other parts of a completed product resulting from Non-Conforming Products; (iv) liabilities or costs arising from personal injury or property damage caused directly or indirectly by Non-Conforming Products; and (v) any of the foregoing as they relate to a recall or service campaign of any type.

**Delivery and Shipping.** Time is of the essence with respect to any Order and Seller shall deliver strictly in accordance with delivery schedule(s) and lead times set forth herein or otherwise by Buyer. In the event of a failure to deliver in accordance with the preceding sentence, Buyer shall be entitled to obtain the Products from another seller for as long as the duration of such failure and reduce the amount of Products ordered from Seller accordingly or terminate this Order. Buyer may specify the method of transportation and the type and number of packing slips and other documents to be provided with each shipment. Seller will pack, mark, ship Products, and deliver the Product to the address specified in accordance with Buyer's instructions, including labeling and hazardous materials instructions.

**Price and Quality.** Pricing is as agreed to in writing by Buyer; Prices shown on this Order are complete, and no additional charges (including shipping, packaging, labeling, custom duties, taxes, storage, and insurance) of any type shall be added. Annually, Buyer and Seller shall participate in annual price reduction negotiations in good faith. Seller shall meet or exceed Buyer's quality standards for the Products as adopted by Buyer from time to time, and which are provided by Buyer to Seller in writing including the requirements laid out in the Buyer's Supplier Quality Manual.

**Indemnities.** Seller shall indemnify and hold harmless Buyer and its officers, employees, agents, and affiliates from and against all liabilities, losses, claims, actions, costs, expenses, and disbursements (including attorney's fees), related to any investigation, litigation or other proceeding which arises or is alleged to arise in connection with the Products or otherwise from Seller's acts or omissions under this Order, including recalls and Non-Conforming Products (the same to apply whether or not (i) Buyer is a party thereto, (ii) Buyer was negligent in connection therewith or (iii) the foregoing are based on contract, tort or strict liability). Without limiting the foregoing, Seller (at its own expense) shall indemnify and hold harmless Buyer and defend or settle any action brought against Buyer to the extent that it is based on a claim that any Product infringes a patent, copyright, trademark or other intellectual property right.

**Past-Model Service Requirements.** Seller will make Products available to Buyer for Buyer's past-model service requirements for a period of 15 years after Buyer completes current-model purchases of those Products from Seller.

**Insurance.** Seller shall maintain general liability, public liability, "errors and omissions" coverage, products liability, property damage, and workers' compensation insurance in commercially reasonable amounts with reputable insurers approved by Buyer. All such policies of insurance shall contain appropriate endorsements naming Buyer as an additional insured and requiring the insurer

to give Buyer 30 days' prior written notice of any cancellation or substantial change of coverage. Annually, Seller shall provide Buyer an insurance certificate evidencing the foregoing.

**Buyer's Property.** Unless Buyer agrees in writing, all tools, tooling, dies, jigs, Specifications and other materials Buyer provides to Seller shall at Seller's sole expense (a) remain the sole property of Buyer, (b) be plainly marked or otherwise clearly identified by Seller as "Property of Omron" or its customer, (c) be stored and used in accordance with Buyer's instructions, and (d) maintained in in good condition and repair. Seller will hold Buyer's Property on a bailment basis and will be responsible for risk of loss and damage to Buyer's Property while in its possession or control. Buyer may, at any time, for any reason and without payment of any kind, retake possession of any of Buyer's Property without the necessity of payment or notice to Seller, or a hearing or a court order, which rights, if any, are waived by Seller.

**Compliance with Laws.** Seller shall at all times comply with all laws; regulations; rules; and policies of Buyer applicable to this Order, including maintaining proper licenses and certifications; and obtaining and maintaining all permits necessary for performing under this Order. Upon Buyer's request, Seller shall promptly provide to Buyer, in such form and detail as Buyer requests, all documents and information necessary to Buyer concerning the materials incorporated in the Products, including the amount, the country of origin, the IMDS information for the Products, and PPAP records.

**Confidentiality.** All information and materials supplied by Buyer in connection with this Agreement are proprietary to, and may contain trade secrets of, Buyer. Seller may not reproduce or distribute such information to any third party or any other person except its own employees who require such information as part of their duties. Seller shall strictly maintain the confidentiality of all such information furnished by Buyer (except information previously available to Seller and information in the public domain or disclosed pursuant to a binding governmental requirement). Seller shall not sell, transfer, or loan to any entity (except Buyer) or otherwise make use of (i) Products manufactured from Specifications or other information originating from or furnished by Buyer; or (ii) Products identified with Buyer's trademarks or trade names or contained in containers or wrappings so identified. In addition, without Buyer's prior written consent, Seller shall not advertise or publish in any manner that Seller has contracted with or has furnished Products to Buyer.

**Intellectual Property Rights. Inventions:** If Buyer provides for or otherwise pays Seller for the development of any Intellectual Property Right related to the Products, then Buyer shall be deemed to be the sole owner thereof and Seller shall take all action reasonably requested by Buyer to perfect such rights and ownership in Buyer. If Seller is the sole developer of any Intellectual Property Rights, then Seller shall be deemed the sole owner thereof.

**Excusable Delay.** Either party may suspend performance during an Excusable Delay; provided that Seller may not suspend performance for more than thirty (30) days hereunder. If Seller discovers facts reasonably likely to result in an Excusable Delay, Seller promptly shall (a) advise Buyer and (b) use its best efforts to reduce the effect of the Excusable Delay on Buyer. Upon Buyer's request, Seller shall furnish to Buyer (i) information Buyer requests about possible Excusable Delays and (ii) Seller's assurance or contingency plans with respect thereto.

**Termination; Cancellation.** Buyer reserves the right to cancel this Order or any part hereof for its sole convenience. Upon such cancellation, Seller immediately shall, and shall cause each of its suppliers and subcontractors to stop all work hereunder.

**Liability Limits; Etc.** IN NO EVENT SHALL BUYER BE LIABLE FOR ANTICIPATED PROFITS, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES OR PENALTIES. BUYER'S LIABILITY ON ANY CLAIM FOR LOSS OR DAMAGE ARISING IN CONNECTION WITH THIS ORDER SHALL NOT EXCEED THE PRICE ALLOCABLE TO THE PRODUCTS WHICH GIVE RISE TO THE CLAIM. Any action resulting from any breach by Buyer must be commenced within one year after the cause of action has accrued.

**Miscellaneous.** (a) **Waiver.** No failure or delay by Buyer in exercising any right under this Order and no course of dealing between Buyer and Seller shall constitute a waiver of any of Buyer's rights. (b) **Assignment.** Seller shall not assign, delegate or subcontract its rights or obligations hereunder without the written consent of Buyer. (c) **Law.** This Order is governed by Illinois law (without regard to conflict of law principles) and applicable federal and state courts in Illinois shall have exclusive jurisdiction with respect to any matter related in any way hereto. (d) **Amendment.** This Order with these Terms constitutes the entire agreement between the parties and may not be amended, discharged or waived without the written agreement of Buyer. (e) **Severability.** If any provision is found to be ineffective or invalid under law, such provision shall be severed here from without affecting any other provision. (f) **Setoff.** All claims for money due or to become due from Buyer shall be subject to deduction or setoff by Buyer for any claim arising out of this or any other transaction with Seller, including any chargebacks from Buyer's customer. (g) **Risk of Loss.** Risk of loss shall pass to Buyer upon delivery of the Products at the location specified by Buyer. (h) **Labor Contracts.** Seller will notify Buyer at least six months before the expiration of a current labor Agreement that has not been extended or replaced. (i) **Definitions.** "**Buyer Customer Claims**" means claims against Buyer made by or through Buyer's customers arising, or alleged to arise, from Non-Conforming Products being incorporated in products of Buyer's customers. "**Excusable Delay**" means any delay not caused by the material fault or negligence of the delayed party and which results from acts of God or public enemy, restrictions, prohibitions, priorities or allocations imposed by a governmental authority or embargoes, floods, fires, typhoons, earthquakes, epidemics or other like causes; provided that "Excusable Delay" shall not include lockouts, shortages of labor, lack of or inability to obtain raw materials, fuel or supplies (unless caused solely by Government Requirements) or other industrial disturbances. "**Governmental Requirements**" means any laws, rules, regulations, required consents or any other like requirements, guidelines or standards imposed by a governmental authority. "**Including**" is deemed to mean "including without limitation." "**Non-Conforming Product**" means any Product which, at any time, breaches the warranty hereunder, the specifications, quantity or does not comply with any terms or condition hereof. "**Specifications**" mean (i) drawings, descriptions, samples, models and other specifications or standards furnished by Buyer or furnished by Seller and approved by Buyer; (ii) industry standards; (iii) quality control standards established by Buyer; (iv) Government Requirements; and (v) descriptions, schedules, affirmations of function or performance or other statements, written or oral by Seller.