

**INVENSYS CONTROLS  
PURCHASE ORDER TERMS AND CONDITIONS**

**1. TERMS AND CONDITIONS:** The Terms and Conditions contained in this Purchase Order ("Order") and any attachments hereto are the only terms and conditions upon which Buyer shall deal with Seller and represent the entire agreement between the parties relating to the subject matter herein. This Order shall govern all transactions between Buyer and Seller to the entire exclusion of all other terms or conditions submitted or proposed. Buyer does not agree to any other terms or conditions set forth in Seller's quotation or acceptance documents, except to the extent explicitly set forth in a separate writing signed by Buyer. Any failure to return an acknowledgement copy of this Order or any other statement or writing of Seller shall not alter, add to, or otherwise affect these Terms and Conditions. Buyer and Seller hereby agree that electronic transmission of this Order or related communications shall be treated by each party as a "writing".

**2. RELEASE AGAINST SUPPLY AGREEMENT:** If this Order is a release against a current and valid supply agreement in place between the parties ("Agreement"), the terms of such Agreement will take precedence over any conflicting terms herein. Any specific Addendum(s) attached hereto shall also take precedence over any conflicting terms between this Order and the respective Addendum.

**3. PRICING:** Unless otherwise indicated in this Order, prices are firm for the term of this Order and include all applicable taxes including, but not limited to, all federal, state, country and local sales, use, excise, privilege, payroll, occupational, import and export duties, inbound freight, packaging, insurance, handling and all applicable charges. Seller shall indemnify Buyer against any liability and expense by reason of Seller's failure to remit the same to the proper taxing authority. Outbound freight charges, if specifically allowed in this Order, shall be itemized separately on any Seller invoice. All prices are in U.S. dollars and all payment shall be made in U.S. dollars.

**4. TIME IS OF THE ESSENCE:** Time is of the essence in meeting the terms of this Order.

**5. DELIVERY, TITLE AND RISK OF LOSS:** Seller warrants that it shall transfer clear title to Product, and Buyer shall accept risk of loss or damage upon receipt and acceptance of Product by Buyer. In the event that deliveries are not made in accordance with the exact quantities, ship date, amount of kan-ban and/or consignment product(s) specified in this Order, Buyer shall be entitled to recover all related costs, losses, penalties and expenses from Seller that Buyer incurs as a result of Seller's failure to perform as scheduled including, but not limited to, line or production slow downs or stoppages for either the Buyer or its customers. Acceptance of all or any part of this Order by Buyer after the specified delivery date shall not constitute a waiver of any claims that Buyer may have for delays in delivery. Seller retains all risk of loss during shipment and shall be responsible for all damage to the Products that occurs during shipment.

**6. INSPECTION AND REJECTION:** (i) Buyer may inspect and reject all non-conforming Product within a reasonable period of time after delivery without regard to whether payment has been made. Buyer shall not be responsible for the inspection of Product before assembly and/or resale to its customers and all warranties shall survive inspection, installation, assembly, acceptance and payment by Buyer. (ii) Buyer shall be entitled to a refund or credit, at Buyer's sole option, for any Product that does not conform to Buyer's or Seller's representations, specifications, warranties, and/or documentation. Buyer may choose, at Seller's risk and expense, to either hold non-conforming Product pending Seller's instructions or ship the Product to Seller's address shown on this Order. (iii) Rejection of Product may be determined by Buyer's analysis of a representative sampling of Product items. Seller will participate in such analysis in accordance with Buyer's procedures and instructions.

**7. WARRANTIES:** (i) For a term of twelve (12) months from the time the Product is placed in service; 18 months from the date of manufacture; or the period of Seller's warranty, whichever is greater, or as otherwise agreed, Seller warrants that all Product supplied under this Order will be: (a) free from defects in material and workmanship and of a quality consistent with Buyer's and Seller's specifications and parts per million (PPM) quality levels; (b) merchantable; (c) in conformance with Buyer's and Seller's specifications; (d) sufficient in form, fit, and function appropriate for the purpose intended; and (e) new and not refurbished or reconditioned. Supplier also warrants that any services performed for Buyer shall be rendered in a good and workmanlike manner by skilled personnel and in accordance with industry standards. Seller extends to Buyer any and all warranties received from Seller's sub-suppliers and subcontractors and agrees to enforce such warranties on Buyer's behalf. All of Seller's warranties shall run collectively and separately to Buyer, its successors, assigns, customers and users of Buyer's Product. The above warranties are in addition to any warranties implied by law or otherwise and made by Seller and shall survive acceptance and payment by Buyer. (ii) If Product must be recalled, or otherwise breaches the terms of this Order (a "Breach") at any time, or if Product does not meet the Warranties set forth herein, Buyer may, at its sole election and in addition to any other rights or remedies it may have pursuant to law, equity, or this Order and at Seller's expense, do one or more of the following: (a) return the Product and receive from Seller a refund or credit, at Buyer's option, of any amounts paid by Buyer for the Product(s), (b) purchase or manufacture similar items and be reimbursed by Seller for all additional costs thereof, (c) accept or retain the Product(s) and equitably reduce their price, (d) repair or have the Product repaired and receive reimbursement from Seller for all costs associated therewith, or (e) require Seller to promptly replace or correct the Product at Seller's sole expense. Buyer may, at its sole election and in addition to any other rights or remedies it may have pursuant to this Order, at law or in equity, recover from Seller any costs, losses, lost profits, consequential, special, and incidental damages incurred by Buyer as a result of such Breach, including internal costs and those Buyer is charged by its customers. Breach of the warranties set forth in this Section

7, or any other term of this Order, shall entitle Buyer to all available remedies, including those contained in the U.S. Uniform Commercial Code. (iii) In the event Buyer experiences excessive failures or returns of Seller's Product (as determined in the sole discretion of Buyer) at any time during the warranty period, OR AT ANY TIME AFTER THE EXPIRATION OF THE WARRANTY PERIOD, Buyer shall have the right, in its sole discretion, and in addition to any other remedies it may have pursuant to law, equity, or this Order, to require Seller, at Seller's sole expense, to implement a field replacement program ("Replacement Program"). (iv) In the event that either Seller or Buyer learns of any potential safety hazard or unsafe condition relating to any of the Products supplied under this Order which may be subject to the reporting requirements of the Consumer Product Safety Commission or any other governmental regulatory authority, it will promptly advise the other, and both parties will cooperate to undertake all appropriate corrective actions. All expenses, costs, attorneys' fees, court costs, recall expenses, settlement and judgment expenses in connection with the CPSC filing (or other regulatory filing) and any subsequent recall or other action shall be borne exclusively by Seller.

**8. CHANGES:** (i) Buyer may make changes to any Product to be specially manufactured or provided, but no change shall be effective, nor shall Buyer be obligated to pay any increase in compensation as a result of a change, unless such change is documented in a Purchase Order issued by Buyer. Seller must notify Buyer of an increase or decrease in price within ten (10) calendar days of Buyer's request or notice. Changes which increase or decrease pricing shall be priced as mutually agreed in writing. (ii) Seller will not make any changes in Product design, process, materials, or specifications without the prior written consent of Buyer.

**9. BUYER'S PROPERTY:** All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment, designs and other items furnished by Buyer, either directly or indirectly, to Seller to produce the Product, or for which Seller has been reimbursed by Buyer ("Buyer's Property"), shall be and remain the property of Buyer. Seller shall bear the risk of loss of and damage to Buyer's Property, and indemnify Buyer against such loss or damage, while Buyer's Property is in Seller's possession or custody and shall maintain insurance coverage, as required below, on Buyer's Property at Seller's sole expense. Buyer's Property shall at all times be properly housed and maintained by Seller; shall not be used by Seller for any purpose other than the performance of this Order; shall not be used in any manner for other customers of Seller; shall be deemed to be Buyer's personal Property; shall be conspicuously marked by Seller to identify it as Property of Buyer; shall not be commingled with the property of Seller or with that of a third party; and shall not be moved from Seller's premises without Buyer's prior written approval. Upon the request of Buyer, such Property shall be immediately released to or delivered to Buyer by Seller in accordance with Buyer's instructions.

**10. PAYMENT TERMS, INVOICES, AND SETOFF:** Buyer shall pay Seller for undisputed amounts due net ninety (90) days after the latter of: (i) the date a correct invoice is received at Buyer's "bill to" address, or (ii) receipt of the Product. Buyer shall be entitled at any time to set off any and all amounts owed by Seller to Buyer.

**11. INTELLECTUAL PROPERTY WARRANTY AND INDEMNITY:** Seller (1) warrants that none of the goods or services supplied pursuant to this Order shall infringe or contribute to the infringement of any Buyer or third-party intellectual property rights, and (2) shall, at its own expense, defend, indemnify and hold Buyer, its shareholders, directors, officers, employees, agents, and representatives harmless from any and all claims, liabilities, damages, and expenses (including expert witness and attorneys' fees) arising out of any alleged or actual claim of infringement, contributory infringement, or misappropriation of any patent, copyright, trade secret, trade name, trademark, service mark or other third-party intellectual property rights arising from or related to the Product or services supplied pursuant to this Order. This Warranty and Indemnity shall survive delivery and acceptance of the Product supplied or services performed, and any termination or expiration of this Order.

**12. INDEMNIFICATION:** (i) Seller shall defend, indemnify and hold harmless Buyer, its shareholders and affiliated companies, and their respective directors, officers, employees, agents, representatives, successors and assigns, from and against any and all losses, costs, expenses, claims, and fees (including expert witness and attorneys' fees) arising out of any claim or allegation of: (a) breach of any warranty, obligation or other provision or condition of this Order; (b) any and all recall actions of Seller's Product, whether voluntary or pursuant to recommendations or direction of any governing authority; and/or (c) personal injury, death, property damage, or loss suffered by Buyer at any time both during and after the warranty period, resulting from, or claimed to have resulted from, any actual or alleged defect in the Product, regardless whether such claim is founded in breach of contract, breach of warranty, negligence or strict liability. Seller shall take upon itself the defense of any such litigation, the settlement of all such claims, and payment of all judgments entered in any such litigation including, without limitation, all costs of attorneys' fees and other expenses. In any instance where any claims in any way affect Buyer's interests, Seller shall not consummate any settlement without Buyer's prior written consent. Buyer, at its expense, will have the right, but not the obligation, to participate in the handling, settlement, or defense of any such matter. If Seller fails to assume its obligations under this Section 12, Buyer will have the right, but not the obligation, to proceed to defend itself and to require from Seller reimbursement and indemnification for any and all costs and expenses in connection therewith. This indemnification shall survive delivery and acceptance of the Product supplied or services performed, and any termination or expiration of this Order.

**13. INSURANCE:** Seller represents and warrants that it carries and maintains the following insurance coverage during the term of this Order and for five (5) years thereafter: (i) Workers' Compensation and Employers Liability Insurance with statutory coverage for Workers' Compensation and a \$1,000,000 Per Accident limit for Employer's Liability; (ii) Product Recall and

Commercial General Liability coverage, using an ISO (or equivalent) policy form including full Contractual Liability coverage as per the form with a Per Occurrence limit of not less than \$2,000,000 and \$5,000,000 in the aggregate for personal injury, death, property damage, bodily injury, contractual liability, product recalls, independent contractors, broad-form property damage, and products and completed operations coverage; and (iii) Automobile Liability Insurance with a combined single limit of not less than \$1,000,000 per occurrence for bodily injury, death and property damage for hired, owned and non-owned vehicles. All policies shall be underwritten by insurance companies with A- or better rating as designated by A.M. Best. Each policy shall provide that (a) Buyer and its subsidiaries and affiliates be named as additional insureds (other than for Workers' Compensation); (b) not less than 30 days prior written notice shall be given to Buyer in the event of any alteration, cancellation, or termination of such policy; (iii) the Commercial General Liability coverage will be primary insurance with respect to coverage maintained by Buyer and its subsidiaries and affiliates; and (iv) will include a Waiver of Subrogation in favor of Buyer. Upon request, Seller shall also provide Buyer with a certificate of insurance showing evidence of coverage, and a certificate of insurance shall also be provided at renewal at least 30 days prior to expiration of each policy. The minimum insurance requirements provided in this Section 13 shall not, in any way, limit Seller's obligations to Buyer under this Order.

**14. PROPRIETARY RIGHTS AND CONFIDENTIAL INFORMATION:** (i) Seller shall not use in any manner any trademarks, trade names, or other marks which are owned by Buyer or which Buyer is licensed to use ("Trademarks"), except as authorized in writing by Buyer. (ii) All materials including, but not limited to, any inventions (whether or not patentable), works of authorship, trade secrets, know-how, ideas, concepts, processes, techniques, methods, methodologies, practices, and materials (collectively "Inventions") created by or prepared for Buyer hereunder shall be the sole and exclusive property of Buyer. All Inventions shall conclusively be deemed "work made for hire" under the Copyright Act, 17 U.S.C. Section 101. To the extent that any Inventions do not qualify as a "work made for hire" under the Copyright Act, Seller hereby agrees to assign, transfer and convey, without any requirement or further consideration, all title and interest to any and all Inventions to Buyer and its assigns and, at no charge to Buyer, to execute and to cause its employees to execute, such documents including such further assignments, applications, and conveyances and to supply such information as Buyer shall request, in order to permit Buyer to protect, perfect, register, record and maintain its rights in the Inventions and to effect its ownership therein throughout the world. Buyer shall have the right, at Buyer's option and expense, to obtain patents, copyright registrations, trademark registrations, and/or other recordations, registrations and filings for any such Inventions. (iii) Under no circumstances shall Seller distribute, sell, or make available any products made in accordance with specifications or prints provided by Buyer to any third party without Buyer's prior express written authorization. (iv) Any and all technical, proprietary and/or confidential information including, but not limited to, Buyer's designs, specifications, Inventions, product, information, intellectual property, customer lists, suppliers, financial information, marketing and sales information, product forecast data and any other knowledge or information obtained from, furnished, or disclosed by Buyer or learned by Seller as a result of the Buyer/Seller relationship or in the course of Seller's performance pursuant to this Order or jointly developed by Buyer and Seller (collectively "Confidential Information") shall remain or shall be deemed to be Buyer's property and shall be maintained in confidence and safeguarded by Seller. Seller agrees to use any Confidential Information solely as needed to perform its obligations pursuant to this Order. Seller shall restrict disclosure of Confidential Information only to those Seller employees who have a need to know and are bound by confidentiality terms that are no less restrictive than those contained herein. Seller warrants and represents that Confidential Information shall not be utilized by Seller in any other Seller product or applications, unless specifically authorized by Buyer in writing, and shall indemnify Buyer from any such use. Upon completion or termination of this Order or upon request of the Buyer, Seller shall promptly return all materials, including any copies thereof, that consist of or include Buyer's Confidential Information.

**15. COMPLIANCE WITH LAWS:** (i) Acceptance of this Order shall be deemed certification and affirmation that Seller complies with all requirements imposed by law. Seller warrants that all Product, and the provision of such Product, shall comply with all applicable governmental laws, rules, regulations, and ordinances. If doing business in the United States, Seller shall comply with Executive Order 11246, as amended, and all regulations and orders thereunder, all of which are incorporated herein by reference. Seller will promptly furnish all certifications required hereunder upon Buyer's request. (ii) Seller represents and warrants that Product will be produced and provided in compliance with the Fair Labor Standards Act of 1938, as amended, and that the Product has not been or will not be produced or supplied (by Seller or its suppliers) in segregated facilities or any location in which segregated facilities are maintained; by using forced, indentured, convict or child labor; using labor or persons in violation of the minimum working age law in the country of manufacture or in any jurisdiction in which services or Products are provided; or in violation of minimum wage, hour, or overtime laws of the country of manufacture or provided services. (iii) Seller shall comply with all import/export laws, rules, regulations and requirements. If the Product is manufactured in a country other than the country in which goods are delivered to Buyer, Seller will mark the Product "Made in (country of origin)".

**16. MATERIAL SAFETY DATA SHEETS AND HAZARDOUS MATERIALS:** (i) Seller represents, warrants, certifies and covenants that the Products fully comply with all applicable laws, rules, regulations and ordinances, including all environmental laws in locations in which the Product is likely to be used or sold (collectively "Laws"), and shall provide all reports, required information and Material Safety Data Sheets (OSHA Form 20), as required under such Laws. (ii) Seller shall maintain and retain documentation to enable the country of origin of products to be traced within the Product sold to Buyer. At Buyer's request, Seller shall promptly make such documentation available to Buyer and shall provide Buyer a list of the component natural resources for any Product. (iii) Seller represents, warrants, certifies and covenants that materials provided to Buyer comply with any and all domestic or international laws and directives applicable to the Product, its composition and packaging, including, but not limited to, any applicable directives concerning the restriction of hazardous substances (RoHS); the European

Union Regulation 1907/2006 on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH); the European Union Directive 2000/53/EC on end of life vehicles; the European Union Directive 2002/96/EG on Waste and Electronic Equipment (WEEE); and The Electronic Waste Recycling Act (California; SB20/50), all as amended at the time of acceptance of this Order, unless expressly agreed to in writing by Buyer. In addition, Seller shall complete and return a Signatory Spreadsheet form for each part number indicating RoHS compliance prior to shipping Product to Buyer. In the event Seller is found non-compliant with the above requirements, Buyer has the right to terminate this Order immediately, in its entirety, and unilaterally debit Seller's account for all non-compliant Product(s) accordingly.

**17. TERMINATION:** (i) Buyer may, for its convenience, terminate without penalty or further liability to Seller all or any portion of this Order at any time by giving notice to Seller. (ii) In the event of termination by Buyer for cause, which cause may include, but not be limited to, any of the following: Seller's insolvency; Seller's filing, either voluntarily or involuntarily, a petition for bankruptcy under any section of the Bankruptcy Act; Seller making any assignment for the benefit of creditors and/or having a receiver appointed for it; breach by Seller of any of the terms of this Order, including Seller's warranties; failure of Seller to perform services or deliver Product, as specified by Buyer or to meet quality or compliance requirements; and/or failure of Seller to remedy any defect or breach within ten (10) days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying such failure or breach, Buyer may seek any and all remedies to which it may be entitled at law or in equity, in addition to the right to obtain suitable replacement products at Seller's expense and to be reimbursed by Seller for any and all associated costs related to the termination including, but not limited to, testing and qualification of replacement products, increased transportation costs, attorneys' fees, travel, and any and all other expenses incurred therewith.

**18. REMEDIES:** The rights and remedies reserved to Buyer in this Order shall be cumulative and in addition to all other or further remedies available at law or in equity.

**19. DISPUTES:** Seller and Buyer agree that they shall first attempt to settle any controversy or claim arising out of or relating to this Order or the breach thereof through good faith discussions. All negotiations pursuant to this Clause 19 shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. In the event such discussions are unsuccessful, the Buyer shall have, at its option, the right to pursue resolution of such controversy or claim through mediation, non-binding arbitration, or litigation. If arbitration is selected, it shall be decided in accordance with the then-current rules of the American Arbitration Association. Judgment upon any award may be entered in any court of competent jurisdiction in accordance with Section 23. The prevailing party shall be entitled to recover reasonable attorneys' fees, costs and expenses, including any costs or expenses incurred in pretrial investigation, at trial, or on appeal, and all of which shall be made a part of the award or judgment.

**20. WAIVER:** Failure by Buyer to assert any of its rights under this Order shall not be deemed a waiver of such rights, nor shall any waiver be implied from payment by Buyer for any Product. No waiver of any right shall extend to or affect any other right Buyer may possess or to any subsequent similar or dissimilar event.

**21. LANGUAGE OF ORDER:** This Order is written in English. Any translation into another language shall have no impact on the interpretation of this Order. The English language shall be used in all documents and correspondence related to this Order.

**22. SEVERABILITY:** If any provision of this Order is determined by an arbitrator or court of competent jurisdiction to be illegal, invalid, void, or unenforceable, then such provision shall be deemed stricken or shall be amended for purposes of the dispute in question, but only to the extent necessary to render such provision legal, valid and enforceable, if possible. All other provisions of this Order shall remain in full force and effect.

**23. GOVERNING LAW AND VENUE:** This Order shall in all respects be governed by and construed in accordance with the laws of the State of Illinois, without regard to Illinois principles of conflicts of law and the United Nations Convention on Contracts for the International Sale of Goods. Any and all actions arising from or relating to this Order shall be submitted to the exclusive jurisdiction of the federal or state courts of the State of Illinois.

**24. GENERAL:** Seller shall not delegate its duties or assign this Order and its rights hereunder to any party or entity and any attempt to do so shall be void. Section headings are for convenience only and shall have no legal or interpretive effect. All Sections herein shall survive termination or expiration of this Order. Seller's relationship and that of its agents, servants, and/or employees to Buyer in performance of this Order shall be that of an independent contractor and not as an agent, servant or employee of Buyer. Seller and its employees shall comply with all rules, including safety, traffic and security established by Buyer for operations within Buyer's locations.

**25. ENTIRE AGREEMENT:** This Order shall constitute the entire agreement between Buyer and Seller and shall supersede all previous and contemporaneous understandings and agreements, whether verbal or written, express or implied, relating to the subject matter herein. By accepting this Order, Seller hereby acknowledges and agrees that the terms contained in any of the Seller's acknowledgment forms or any other forms or invoices supplied by Seller will be given no effect.