

STANDEX ELECTRONICS QUOTATION TERMS OF SALE

- 1) **NATURE OF THIS DOCUMENT.** This document is an offer by Standex Electronics Inc. or, as applicable, ATC-Frost Magnetics, Inc. both wholly owned subsidiaries of Standex International Corporation (collectively "Seller ") directed to the party to whom the quotation is furnished ("Buyer") to sell the products specified on the face of this quotation (the "Products") on the terms and conditions contained herein. This offer supersedes any oral quotation which may have been furnished by Seller to Buyer with respect to the Products. Any definite and reasonable expression of acceptance (including a purchase order) from Buyer which is received by Seller before the expiration of this quotation (as specified in Section 3) shall constitute agreement to, and a contract consisting of, the terms and conditions hereof and of any invoice issued by Seller. Any different or additional terms in Buyer's expression of acceptance of this offer are hereby expressly rejected and objected to. This quotation is subject to amendment, without penalty or liability, for correction of errors appearing on the face hereon.
- 2) **TERMINATION AND CANCELLATION.** Seller shall have the right to terminate and cancel any contract for the sale of the Products if Seller determines that Buyer's credit is not satisfactory or for any other reason permitted by the Ohio Uniform Commercial Code. Any such termination or cancellation shall be effective upon notification (either orally or in writing) to Buyer and shall be without liability to Seller. Buyer may not cancel orders once manufacture has commenced. Prior to commencement of manufacture, orders may only be cancelled upon the payment to Seller of the cost of raw materials, component parts, engineering and administrative time and supplies on which commitments have been made, as well as the profit which the Seller would have made on the completed order.
- 3) **EXPIRATION OF QUOTATION.** The offer contained in this quotation will automatically expire and become null and void thirty (30) days after the date specified on the face of this quotation or any amended quotation, unless it is accepted by Buyer as specified in Section 1, hereof.
- 4) **DRAWINGS AND DATA.** All drawings and data provided to the Buyer (whether with Seller's Quotation or otherwise) remain the property of Seller, are proprietary to Seller and must be returned immediately upon Seller's request.
- 5) **PRICES AND PAYMENT.** Unless otherwise indicated, prices are EXW Seller's plant and do not include any sales, use, excise or similar taxes or duties now or hereafter imposed by any governmental or taxing authority. Quoted prices are subject to change, without prior notice, at any time prior to acceptance by Buyer. Errors or omissions in prices are subject to correction. Unless otherwise indicated, payment terms are NET CASH 30 DAYS from the date of shipment of the Products shown on the Sellers invoice and/or invoices for tools and dies. A service charge of one and one half percent per month, or the highest amount which may be lawfully charged to Buyer, will be imposed on all past due balances.
- 6) **PRICE ESCALATION.** In addition to the prices specified, Buyer agrees to pay the amount of any increase in the cost of the raw materials comprising the Products which is incurred by Seller above the cost of each respective raw material on the date of the quotation, provided, however, that this price escalation provision shall not apply to increases of less than 1%.
- 7) **BUYER-REQUESTED CHANGES AND DELAYS.** Changes requested by Buyer to the Product, packaging and/or order terms that result in any increased cost to Seller require (i) written acceptance by Seller, and (ii) sufficient advance notice to Seller to enable Seller, where possible, to avoid extraordinary costs and/or efforts to accomplish Buyer's request, and (iii) payment by Buyer of any and all expenses associated with such change requests. Any delivery delays associated with such change requests shall be the responsibility of Buyer. If Buyer requests a delay of up to sixty (60) days, Buyer shall be responsible for all raw materials, work-in-process (WIP) and finished goods generated or purchased by Seller for Buyer's order. Any and all such materials will be held by Seller for a maximum of sixty (60) days from the date of Buyer's delay notification to Seller, after which time Seller shall either (i) release finished goods to Buyer, or (ii) Buyer may instruct Seller to dispose of them or ship WIP to Buyer. In either event, Seller shall invoice Buyer for such products, raw materials and WIP, and Buyer shall pay such invoice pursuant to Section 3 herein.
- 8) **CANCELLATION CHARGES.** In the event that Buyer cancels its order or delays shipments under this contract for more than 60 days Buyer shall pay a cancellation charge equal to the cost of raw materials, WIP and finished goods completed by Seller and/or committed to by Seller, plus a proportionate amount of the profit Seller would have realized in the absence of cancellation. Upon receipt of payment for any cancellation charges, Seller will either ship work in process and/or products to Buyer or dispose of the same in accordance with Buyer's written instructions.
- 9) **DELIVERY, FREIGHT AND RISK OF LOSS.** All sales are EXW Seller's plant, and carrier shall be selected by Seller in the absence of Buyer's written instructions. Claims for Product damaged in transit or other errors in delivery must be filed by Buyer against carrier only. Title to and risk of loss for the Products shall pass to Buyer upon delivery of the products EXW Seller's plant. Delivery dates are estimates only, are not guaranteed, and are subject to confirmation. Seller shall in no event be liable for any damages arising from delay in delivery. Buyer is responsible for inspecting shipments immediately and notifying Seller within ten (10) days of any shortages, defects or other problems of delivery. Buyer must provide Seller with production schedules consistent with the production lead time specified in Seller's Quotation. Buyer's failure to follow said lead time eliminates any Seller obligation to provide Product in a specified time frame.
- 10) **PURCHASE QUANTITIES.** Purchases of Products shall be considered complete upon delivery to Buyer of 5% more or less than the ordered quantity. Any excess Products delivered, not exceeding 5% of the initial quantity ordered by the Buyer, shall be accepted and paid for by Buyer.
- 11) **SAMPLES.** Seller will submit a reasonable number of preproduction or production intent samples, at its sole discretion, before going into production on any new or revised production tooling. Samples will be supplied by Seller to Buyer at a price to be solely determined by Seller.
- 12) **SERVICE/REPLACEMENT PARTS.** If Seller in its discretion ceases production of any Products, or if the Buyer cancels its production order for Products, Seller will permit Buyer, for a period of ninety (90) days after notice to Buyer, to purchase a quantity of such parts to meet Buyer's needs for the future (such quantity to be determined in Seller's reasonable judgment), upon prepayment by Buyer at the then-existing selling price for such Products. After ninety (90) days, availability and pricing shall be at Seller's sole discretion.
- 13) **WARRANTIES AND REMEDIES.** Seller warrants that, at the time of shipment, the Products manufactured and sold by it hereunder will, for a period of twelve (12) months from date of shipment, be free from defects in material and workmanship. Seller's obligations, and Buyer's remedies, under this Warranty are limited to replacing and/or issuing an appropriate credit, at Seller's election, for any Products or parts thereof which are demonstrated, to Seller's reasonable satisfaction, to have been defective at the time of shipment. Defective conditions in the Products caused by Buyer, third parties, acts of God, abnormal use or stress of any other matters unrelated to Seller and beyond its reasonable control are specifically excluded from coverage under this Warranty.
Buyer agrees to notify Seller in writing within 30 days of the discovery of any defect which would give rise to a claim under the Warranty. Failure to so notify Seller with respect to any claim shall result in the forfeiture by Buyer of coverage of that claim under the Warranty.
THE FOREGOING WARRANTY IS EXCLUSIVE AND IS GIVEN AND ACCEPTED IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE FOR LOSS OF USE, REVENUE OR PROFIT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES.
In the event that Buyer has a claim under this Warranty, Buyer will forward all relevant information (including a representative sample) and request authorization from Seller's Sales Department to return the material. Seller will then determine whether the Product should be inspected at Buyer's facility (in which case, Seller may supply its own inspector) or returned to Seller for inspection. If items are authorized to be returned to Seller's facility, they shall be packed in original or equivalent packaging. All Products and parts therefore, not found defective by Seller will be returned to Buyer, transportation charges collect. In no event will Seller be liable for any packaging expenses, inspection costs or labor charges incurred by Buyer in connection with the processing of claims under this Warranty or the return of defective Products.
- 14) **CONSEQUENTIAL DAMAGES.** In no case shall the Seller be responsible for consequential damages of any type or kind that are attempted to be levied by the Buyer on the Seller, or any third party charges by virtue of a contract or agreement of the Buyer with said third party. Consequential damages as referenced in paragraph 12 and herein are inclusive of, but not limited to, sorting of Products by the Buyer or a third party, costs for overtime, costs for production downtime, costs for punitive penalties of any type or kind, and/or costs associated with inspection of Products of any type or kind.
- 15) **DEBITS.** No unauthorized debit of any type or kind will be allowed or accepted by the Seller without pre-approval from an officer of the Seller with said authorization given to the Buyer in writing. Failure of the Buyer to comply with this provision will result in the Buyer being placed on credit hold by the Seller upon receipt or notice of said unauthorized debit. Seller may apply this credit hold as a shipping hold and/or as a manufacturing hold at the Seller's exclusive option.
- 16) **INDEMNITY.** Buyer agrees to indemnify, hold harmless and defend Seller from and against any and all claims, liabilities and expenses (including attorney's fees) arising out of any injury or damage which results from or is in any way connected to the possession, sale, use, resale, transfer, misuse, misapplication, or failure to inspect, maintain or repair the Products. Buyer agrees to comply with any applicable federal, state or industry law or safety requirement regarding the Product, and to indemnify Seller for Buyer's failure to so comply.
- 17) **TOOLS, DIES AND GAUGES.** All tools, dies and gauges used to produce Products under this contract, as well as all changes and modifications of same, will remain the sole property of Seller. Seller retains the right to sell any and all production of such tools, dies and gauges to its customers. Seller reserves the right to defray any and all expenses for such tools, dies and gauges by charging partial tooling cost for same to one or more of its customers.
- 18) **PATENTS AND TRADEMARKS.** Seller shall defend any suit or proceeding brought against Buyer insofar as it is based on a claim that the Products, or any part thereof, constitute an infringement of any U.S. patent or trademark and shall pay all damages and costs awarded therein against Buyer, provided that Seller has been notified promptly in writing of the suit or proceeding and is given authority, information and assistance for the defense of same. In the event that the Products, or any part thereof, are held to constitute infringement and the use of the Products or parts thereof are enjoined, Seller shall, at its own expense and at its option, either procure for Buyer the right to continue using the Products or parts, replace the same with non-infringing comparable products, modify the Products so they become non-infringing or remove the Products or parts and refund the purchase price. The foregoing shall be the entire liability of Seller for patent or trademark infringement of any of the Products or parts thereof.
Notwithstanding the provisions of the preceding paragraph, Buyer shall indemnify Seller, and hold it harmless, against any and all damages, expenses, losses or liabilities resulting from infringement of patents or trademarks arising out of compliance by Seller with Buyer's designs, specifications or instructions or arising out of the use of any equipment, materials, parts or machinery furnished by Buyer. The sale of the Products, or parts thereof, by Seller does not convey any license, expressly or by implication, estoppel or otherwise, under any patent claims covering combinations of the Product or any part thereof with other devices or elements.
- 19) **MODIFICATIONS; ASSIGNMENTS; APPLICABLE LAW.** No modification of the terms and conditions specified in the contract between Buyer and Seller for sale of the Products shall be binding on either party unless agreed to in writing. The contract may not be assigned by either party, nor may any duties of either party be delegated, without the written consent of the other and any such assignment or delegation without such consent shall be void. The contract shall be governed by, and construed in accordance with, the laws of the State of Ohio (other than its conflict of laws principles) excluding the United Nations Convention on Contracts for the International Sale of Goods. The parties hereby consent to the exclusive jurisdiction of and venue in the federal and/or state courts located in Cincinnati, Ohio. The invalidity, in whole or in part, of any of the provisions of these Terms and Conditions (as determined by a court of competent jurisdiction) shall not affect the enforceability of any other provision hereof.
- 20) **EXCUSEABLE DELAY/FORCE MAJEURE.** Seller is not liable or responsible for delay or failure to perform any of Seller's obligations herein occasioned by (i) any cause beyond its reasonable control, including but not limited to a labor dispute, industry disturbance, fire, natural disaster or severe weather conditions, war, civil unrest, computer malfunction, lack of supplies, delay in transportation, governmental action, acts of God, or (ii) any acts or omissions of Buyer (all of which shall be designated "Excusable Delay.") The date of delivery must be extended for a period equal to the time lost due to Excusable Delay.