

Terms of Sale

1. **NATURE OF THIS DOCUMENT.** This document is an offer by the Standex Electronics Division of Standex International Corporation ("Seller ") directed to the part 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. Any different or additional terms in Buyer's expression of acceptance of this offer are hereby objected to.

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. Any such termination or cancellation shall be effective upon notification (either orally or in writing) to Buyer and shall be without liability to Seller. Under no circumstances shall Buyer have any right to terminate the contract or cancel its order to purchase the Products.

3. **EXPIRATION OF QUOTATION.** The offer contained in this quotation will automatically expire and become null and void upon the expiration of the number of days specified on the face of this quotation following the date of the quotation (but not counting the date of the quotation) unless it is accepted by Buyer as specified in Section 1, hereof.

4. **PRICES.** Unless otherwise indicated, prices are F.O.B. Seller's works 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.

5. **PRICE ESCALATION.** In addition to the prices specified, Buyer agrees to pay the amount of any increases 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%.

6. **DELAY OF SCHEDULED DELIVERIES.** Buyer shall be responsible for all raw materials, work-in-process and finished goods that may arise as a result of a delay in scheduled delivery(s) by Buyer. Any and all such materials will be held by Seller for a maximum of sixty (60) days from date of notification by Buyer to Seller. If at the end of sixty (60) days, the products are not released by Buyer for delivery, seller shall invoice Buyer for same and will either ship the product in the various stages of production and/or completion to Buyer or dispose of same per Buyer's written request and instructions.

6.B **CANCELLATION CHARGES.** In the event that Buyer cancels its order or delays shipments under this contract for more than 60 days after Seller has committed itself to the purchase of raw materials and or the production of predicts, Buyer shall pay a cancellation charge proportionate to the amount of the contract either committed to and or worked on plus a proportionate amount of the profit which Seller would have realized on the contract. 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 to Buyer's written instructions.

7. **DELAYS.** Neither party shall be liable for any delay or failure to perform any obligation to the other if such delay or failure shall be caused by an event or contingency beyond its reasonable control, irrespective of the nature thereof.

8. **QUANTITIES; SAMPLES.** Purchases of items shall be considered complete upon delivery to Buyer of 5% more or less than the ordered quantity. Any excess delivered not exceeding 5% shall be accepted and paid for by Buyer, Seller will submit a reasonable number of samples, without charge, before going into production on any new or revised tooling orders. Any samples beyond, a reasonable number will be supplied by Seller at a minimal charge to Buyer.

9. **WARRANTIES AND REMEDIES.** Seller warrants that, at the time of shipment, the Products manufactured and sold by it hereunder will be free from defects in material and workmanship. Seller's obligations, and Buyers remedies, under this Warranty are limited to replacing and 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.

Seller's obligations, and Buyer's remedies, under this Warranty shall terminate one year after the date of shipment of the Products to Buyer and the Warranty shall only apply beyond that time if written notice of a defect has been given by Buyer to Seller within the one year period. In addition, 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 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 will 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 as well as when originally received. All Products, and parts therefor, 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.

10. **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.

11. **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.

12. **GOVERNMENT END USE.** In the event that the face of this Quotation indicates that the Products are being purchased for United States Government end use, all provisions which are required by applicable statutes or regulations to be included in the contract between Seller and Buyer shall be deemed to be incorporated herein and, in case of any conflict, shall supersede the terms of sale set forth herein.

13. **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. If accepted by Buyer, the provisions of this Quotation shall constitute the entire agreement of the parties with respect to the sale of the Products.