

## REQUEST FOR QUOTATION/PURCHASE ORDER TERMS AND CONDITIONS

Where applicable the term “goods” shall be replaced with “services” for the purposes of this document.

1. **ACCEPTANCE:** The Seller has read and understands this order and agrees that Seller's written acceptance or any work or service under this order shall constitute Seller's acceptance of these terms and conditions only. All terms and conditions proposed by Seller which are different from or in addition to this order are unacceptable to Buyer, are expressly rejected by Buyer and shall not become a part of this order. Any modification to this order shall be made in accordance with Paragraph 24.
2. **INSPECTION AND PAYMENT:** Seller agrees that Buyer shall have the right to enter Seller's facility at reasonable times to inspect the facility, goods, materials, and any property of Buyer covered by this order. Buyer's inspection of goods, whether during manufacture, prior to delivery or within reasonable time after delivery, shall not constitute acceptance of any work in progress or finished goods, nor shall payment of the goods or services constitute acceptance. Unless otherwise provided, all terms of payment shall be ninety (90) days from receipt of a proper invoice. Acceptance shall be defined as when Buyer's warranty expires with Buyer's customer.
3. **NON-CONFORMING GOODS:** To the extent the Buyer rejects goods as non-conforming, the quantities under this order will automatically be reduced unless Buyer otherwise notifies Seller. Seller will not replace quantities so reduced without a new order or schedule from Buyer. Non-conforming goods will be held by Buyer for disposition in accordance with Seller's instructions at Seller's risk. Seller's failure to provide written instructions within five (5) days, or such shorter periods as may be commercially reasonable under the circumstances, after receiving notification of non-conforming goods shall entitle Buyer, at Buyer's option to charge Seller for storage and handling or to dispose of the goods without liability to Buyer. Payment for non-conforming goods shall not constitute an acceptance thereof, limit or impair Buyer's right to assert any legal or equitable remedy or relieve Seller's responsibility for latent defects.
4. **DELIVERY:** The goods included in this order shall be delivered to dormakaba USA Inc., Indianapolis, Indiana unless noted differently on Purchase Order. Seller agrees to properly pack, mark, and ship goods in accordance with written instructions from the Buyer. Delivery shall be made both in quantities and at the time specified in Buyer's schedules. Buyers shall not be required to make payment for goods delivered to the Buyer which are in excess of quantities specified in Buyer's schedule. Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price of goods or services covered by this order.
5. **WARRANTY:** Seller expressly warrants that all goods or services covered by this order will conform to the specifications, and descriptions furnished to us or by the Buyer, and will be merchantable, of good material and workmanship, and free from defect. In addition, the Seller acknowledges that Seller knows of Buyer's intended use and expressly warrants that all goods covered by this order which have been selected, designed, manufactured, or assembled by Seller, based upon Buyer's stated use, will be fit and sufficient for the particular purpose intended by Buyer.
6. **INSURANCE:** If this order covers the performance of labor for Buyer, Seller agrees to indemnify and protect Buyer against all liabilities, claims or demand for injuries or damages to any person or property growing out of the performance of this agreement. Seller further agrees to furnish, upon Buyer's request, proof of insurance showing that Seller has adequate Workman's Compensation, Public Liability, Property Damage and contractual liability coverage. Said Certificate must set forth the amount of coverage, policy number and date of expiration. If Seller is a self-insured, a Certificate from the Department of Labor and the state in which said labor is to be performed must be furnished by such Department directly to Buyer.
7. **TOOLS:** Unless otherwise agreed to by Buyer, Seller at its own expense shall furnish, keep in good condition, and replace when necessary tools, jigs, fixtures, gauges, and patterns necessary for the production of material ordered. The cost of changes to the "tools" necessary to make design and specification changes authorized by Buyer shall be paid for by Buyer upon proof of such cost. Seller shall insure the "tools" with full fire and extended coverage insurance for replacement value thereof. Seller grants Buyer an irrevocable option to take possession of a title to the "tools" that are special for the production of the goods. Upon termination the Buyer will pay only the present value less any amount the Buyer has previously paid to Seller for the cost of the "tools". However this option shall not apply if such "tools" are used to produce goods that are the standard stock of Seller or if a substantial quantity of the goods are being sold by Seller to others. Replacement tools shall be at the Sellers expense unless otherwise specified. The Buyer shall be notified annually of all replacement tool expenses planned.
8. **CHANGES:** Buyer reserves the right, at any time to direct changes or cause Seller to make changes to drawings and specifications of the goods or to otherwise change the scope of the work covered by this order, including work with respect to such matters as inspection, testing, or quality control, and Seller agrees to promptly make such changes. Any difference in price or time for performance resulting from such changes to this order shall be made in accordance to Paragraph 24.
9. **WORKS FOR HIRE:** All works created by Seller in the course of performing its obligations under this order will be, and remain exclusively, the property of the Buyer. Each such Work created by Seller is a "Work made for hire" under the copyright law, and Buyer may file applications to register copyright in such Works as author and copyright owner thereof. If, for any reason, a Work created by Seller excluded from the definition of a "Work for hire" under the copyright law, then Seller does hereby assign, sell and convey to Buyer the entire rights, title and interest in and to such excluded Work, including the copyright therein. Seller will execute any documents which Buyer deems necessary in connection with the assignment of such excluded Work and copyright therein. Seller will take whatever steps and do whatever acts Buyer requests, including, but not limited to, placement of Buyer's proper copyright notice on Works created by Seller to secure or aid in securing and maintaining copyright protection in such Works and will assist Buyer on it nominees in filing applications to register claims of copyright in such Works, at Buyer's expense, on Seller's time and material basis.
10. **INDEMNIFICATION:** Seller agrees to indemnify and hold Buyer harmless against any and all loss Buyer may at any time sustain, by reason of defective or alleged defective goods or services supplied under this purchase order, and Seller agrees to indemnify and protect the Buyer against all liabilities, claims and demands for injuries or damages to any person or property growing out of the Seller's performance of this contract.
11. **CANCELLATION FOR BREACH:** Buyer reserves the right to cancel all or any part of this order without liability to Buyer, if Seller (a) repudiates or breaches any of the terms of this order, including Sellers warranties; (b) fails to perform services or deliver goods as specified by Buyer; or (c) fails to make progress so as to endanger timely and proper completion of services of delivery of goods and does not correct such failure or breach within ten (10) days or shorter period of time if commercially reasonable under the circumstances after receipt of written notice from Buyer specifying such failure or breach.

12. **REMEDIES:** The rights and remedies reserved to Buyer in this order shall be cumulative and additional to all other remedies provided in law or equity.
13. **PACKAGING AND CRATING:** No charges for crating, boxing, bagging, packing, drummage, or storage will be allowed unless specified on the face of the order.
14. **ADVERTISING:** Seller shall not without first obtaining written consent of Buyer, in any manner advertise or publish the fact that Seller has contracted to furnish Buyer the goods or services herein ordered, or use any pictures, photos, trademarks or trade names of Buyer in Seller's advertising or promotional materials. In the event of Seller's breach of this provision, Buyer will have the right to cancel the undelivered portion of any goods or services covered by this order and shall not be required to make further payment except for conforming goods delivered or services rendered prior to cancellation.
15. **TECHNICAL INFORMATION DISCLOSED TO BUYER:** Seller agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical information which Seller shall have disclosed or may hereafter disclose to Buyer in connection with the goods or services covered by this order.
16. **NON-ASSIGNMENT:** Seller may not assign or delegate its obligation under this order without Buyer's prior written consent.
17. **PRICE AND QUALITY:** This order must not be filled in greater quantities or at higher prices than set forth on the face of this order, or in the absence of price, at a higher price than previously quoted or charged, unless an amended Purchase Order is received from Buyer.
18. **PATENTS:** By accepting this order, the Seller guarantees that the articles described herein, and the sale or use of them, will not infringe any United States or Foreign Letter Patent. The Seller agrees to defend, protect, and save harmless the Buyer, its successors, assigns, customers, and users of its products against all suits, at law or equity, and expenses for actual or alleged infringement or any Patent or Trademark by reason of the fact that the sale or use of any said articles is enjoined.
19. **REPAIRS:** Buyer reserves the right to make repairs on defective material and to charge Seller with Buyer's actual cost of making repairs.
20. **COMPLIANCE:** By completion of this Purchase Order, you hereby represent that you have complied with Executive Order 11246 (Non-Segregated Facilities); 41 C.F.R. (60-1.40, et seq. (Affirmative Action)); 41 C.F.R. (60-250.4, et seq. (Disabled and Vietnam Veterans)); and 41 C.F.R. (741.4 et seq. (Persons with a Handicap)). Incorporated by reference and made part of this Order, Seller and Buyer agree to abide and be in compliance with all applicable Federal, State, and Local Laws, Rules and Ordinances. Seller shall secure and pay for all licenses necessary for proper execution and completion of any work issued under this order.
21. **CHOICE OF LAW AND DISPUTES:** Buyer and Seller agree that any dispute arising under the terms of this order shall be governed by the laws of the State of Indiana. The United Nations Convention on Contracts for the International Sale of Goods shall not apply. Any dispute between Buyer and Seller concerning this order shall be submitted to final and binding arbitration as the sole and exclusive remedy for such controversy or dispute, provided, however that Seller may commence action against Buyer in a court of law for infringement of Seller's intellectual property rights. **BY AGREEING TO ARBITRATE, EACH PARTY IS GIVING UP ITS RIGHT TO GO TO COURT AND HAVE ANY DISPUTE HEARD BY A JUDGE OR JURY.** Any claim required to be submitted to arbitration shall be made by filing a demand for arbitration within one (1) year following the occurrence first giving rise to the claim. The right and duty of the parties to resolve disputes by arbitration shall be administered exclusively by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures then in effect. The decision and award of the arbitrator shall be final and binding and the award so rendered may be entered in any court having jurisdiction thereof. The arbitration shall be held and the award shall be deemed to be made in the city of Indianapolis, Indiana, United States of America. Each party shall bear all of its own costs of arbitration, except that the fees of the arbitrator shall be divided equally between the parties. The arbitrator shall have no authority to amend or modify the terms of this order or to award punitive or exemplary damages, and the award may be enforced by judgment in a United States Court of Law.
22. **CONFIDENTIALITY:** Seller agrees to maintain secret all Buyer's documents and items that include or embody Buyer's confidential information for a period of three (3) years from the date of this agreement.
23. **FORCE MAJEURE:** Any delay or failure of either party to perform its obligations thereunder shall be excused if, and to the extent, it is caused by an event or occurrence beyond the reasonable control of the party, and without its fault or negligence, such as, but not limited to, acts of God, regulations, laws or acts of any government, destruction of production facilities or material by fire, flood, windstorm, explosions, riots, natural disasters, war, sabotage, strikes, or failure of public utilities. When requested by the Buyer, the Seller shall within five (5) days provide adequate assurance that the delay shall not exceed twenty-five (25) days, or Buyer may immediately cancel the order without liability. It is the responsibility of the Seller to have a contingency plan in place to assure that delivery of goods and services are provided to the Buyer.
24. **ENTIRE AGREEMENT:** This order together with the attachments, exhibits, or supplements specifically referenced in this order constitutes the entire agreement between Seller and Buyer with respect to the matter contained herein and supersedes all prior oral and written representation and agreements. This order may only be modified by a purchase order amendment issued by Buyer.
25. **LEGAL NOTICE FOR NEW JERSEY RESIDENTS:** Under the New Jersey Truth-in-Consumer Contract, Warranty and Notice ACT ("TCCWNA"), N.J.S.A. 56:12-14 et seq., consumers may not be offered any written contract which includes any provision that violates any clearly established legal right of a consumer, or responsibility of a seller, as established by state or federal law. In addition, under the TCCWNA, no consumer contract may state that any of its provisions are or may be void, unenforceable or inapplicable in some jurisdictions without specifying which provisions are or are not void, unenforceable or inapplicable in New Jersey. Therefore, the following provisions of this order shall not be applicable to New Jersey residents: in the "Disputes" section, (a) the provision which limits the time within which claims against Seller must be brought and (b) the provision concerning the exclusion or limitation of certain damages is not applicable to New Jersey residents with respect to punitive damages, loss of data, and loss of or damage to property.