

## TERMS AND CONDITIONS

**1. Parties.** STRATTEC SECURITY CORPORATION shall be referred to hereinafter as "SSC." The selling company as shown on the front side hereof shall be referred to hereinafter as the "Company."

**2. Acceptance; Agreement.** Acceptance of performance against this Purchase Order, whether or not repeated, is without prejudice to the right to demand strict performance at any time and to recover damages, if any, for previous non-compliance. These terms and conditions and SSC's Supplier Quality Manual as in effect from time to time are the final expression of our agreement and are intended also as a complete and exhaustive statement of the terms of our agreement and, except as expressly provided herein, may not be revised without the parties' written agreement. Unless a contrary provision is found on the face hereof this Purchase Order may be withdrawn without notice at any time prior to acceptance. SSC's clerical errors are subject to correction by SSC. The invalidity of a provision of these terms and conditions shall not affect the validity of the remaining terms and conditions. Company shall not assign its obligations hereunder without SSC's prior written consent.

**3. Proprietary Information; Confidentiality.** Company shall consider all information furnished by SSC to be confidential and shall not disclose any such information to any other person, or use such information itself for any purpose other than performing this contract, unless the Company obtains written permission from SSC to do so. This paragraph shall apply to drawings, specifications, or other documents prepared by the Company for SSC in connection with this order. Company shall not advertise or publish the fact that SSC has contracted to purchase goods from the Company, nor shall any information relating to this Purchase Order be disclosed without SSC's written permission. Unless otherwise agreed in writing, no commercial, financial or technical information disclosed in any manner or at any time by Company to SSC shall be deemed secret or confidential and Company shall have no rights against SSC with respect thereto except such rights as may exist under patent laws.

**4. Warranty.** Company expressly warrants that all goods or services furnished under this Purchase Order shall strictly conform to all specifications and appropriate standards, will be new and free from liens or encumbrances, and will be free from all defects, including defects in design, material or workmanship. Company warrants that all such goods or services will conform to any statements made on the containers or labels or advertisements for such goods or services, and that any goods will be adequately contained, packaged, marked and labeled. Company warrants that all goods or services furnished hereunder will be (A) merchantable, (B) safe and appropriate for the purpose for which goods or services of that kind are normally used, and (C) designed and fit for their particular purposes. Company warrants that goods or services furnished will conform in all respects to samples. Inspection, test, acceptance or use of the goods or services furnished hereunder shall not affect the Company's obligation under this warranty, and such warranties shall survive inspection, test, acceptance and use. Company's warranty shall run to SSC, its successors, assigns and customers, and users of products and services sold by SSC. The foregoing warranties are in addition to those available to SSC by law.

**5. Patents.** Company agrees upon receipt of notification to assume full responsibility for defense of any allegation, suit, or proceeding arising out of any third party claim, demand, or cause of action alleging patent infringement by the goods or services provided under this Purchase Order which may be brought against SSC or its agents, customers, or other vendors and Company further agrees to indemnify SSC, its agents, customers, or other vendors for any such third party claims, demands, or causes of action from and against any and all expenses, losses, royalties, profits, and damages including court costs and attorneys' fees resulting from any such allegation, suit, or proceeding, including any settlement.

**6. Inventions, Works of Authorship.** All ideas, inventions, developments, and improvements conceived and/or reduced to practice, alone or with others, in the course of providing goods or services under this contract shall be the exclusive property of SSC. Company agrees to promptly and fully disclose in writing to SSC all such ideas, inventions, development and improvements. Company hereby assigns and agrees to assign to SSC all of Company's right, title, and interest in and to such ideas, inventions, developments, and improvements and Company agrees to (i) assist SSC, at SSC's reasonable expense, in obtaining patents on any such ideas, inventions, developments, and improvements and (ii) execute all documents necessary to obtain such patents in the name of SSC. Company hereby assigns and agrees to assign to SSC all of Company's right, title, and interest in and to any works of authorship created by Company relating to the goods or services provided pursuant to this contract (such works of authorship being hereinafter referred to as "Work"). Company agrees to execute any and all documents deemed to be necessary or appropriate by SSC to effectuate the assignment to SSC of all of Company's rights in such Works, including, but not limited to, copyright rights. Company further agrees to maintain all information relative to such ideas, inventions, developments, improvements, and works of authorship as confidential Information of SSC subject to the obligations of confidentiality set forth in paragraph 3 hereof, and Company agrees not to submit for publication, publish, or disclose the same without the prior express written consent of SSC.

**7. Indemnity.** Company shall protect, defend, indemnify and hold SSC and its employees, agents, successors, assigns and customers and users of the goods and services provided hereunder harmless from and against all damages, liabilities, fines, penalties, costs and expense (including recall, repair and replacement expenses and other incidental and

consequential damages, including attorneys' fees) arising out of or resulting from (A) the actual or alleged failure of goods and/or services provided by Company to conform to any of the Company's warranties; (B) any actual or alleged injury or death to any person, or damage to any property in any manner caused or alleged to have been caused by a defect in the goods supplied or services performed by Company pursuant to this Purchase Order; (C) failure to make deliveries or otherwise perform its obligations hereunder; or (D) any work done, or omitted to be done by Company, its employees, agents or subcontractors.

**8. Inspection; Testing.** Payment for the goods delivered hereunder shall not constitute acceptance thereof and SSC shall have the right to inspect such goods and to reject any or all of said goods which are in SSC's judgment defective or nonconforming. Goods rejected and goods supplied in excess of quantities called for herein may be returned to Company at its expense and, in addition to SSC's other rights, SSC may charge Company all expenses of unpacking, examining, repacking and reshipping such goods. Nothing contained in this Agreement shall relieve in any way the Company from the obligation of testing, inspection and quality control.

**9. Product Investigation.** Company will immediately notify SSC by telephone (followed by written confirmation within 24 hours) of any goods sold hereunder which fail to comply with an applicable safety rule or standard of the Consumer Products Safety Commission or other governmental agency. If a product recall pertaining to safety of any goods furnished hereunder is initiated, ordered, or deemed necessary by SSC or by any governmental agency, Company at its expense will modify, repair or replace as required by the applicable governmental agency and correct all defective parts supplied by Company which are alleged, in whole or in part, to require remedial action.

**10. Trade Designation.** SSC warrants that any trade designation SSC requests Company to affix to any product is owned or authorized for use by SSC. Nothing described herein shall be deemed to grant Company the right to use an SSC trade designation and Company hereby agrees not to use such designations, except as to the goods in fulfillment of this SSC order.

**11. Force Majeure.** Strikes, acts of God and other contingencies beyond the control of a party shall be sufficient excuse for delay traceable to such cause, but shall give the opposite party the option to terminate.

**12. LIMITATION ON SSC'S LIABILITY. IN NO EVENT SHALL SSC BE LIABLE FOR ANTICIPATED PROFITS OR FOR INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES. SSC'S LIABILITY ON ANY CLAIM OF ANY KIND FOR ANY LOSS OR DAMAGE ARISING OUT OF OR IN CONNECTION WITH OR RESULTING FROM THIS PURCHASE ORDER OR FROM THE PERFORMANCE OR BREACH THEREOF SHALL IN NO CASE EXCEED THE PRICE ALLOCABLE TO THE GOODS OR SERVICES OR UNIT THEREOF WHICH GIVES RISE TO THE CLAIM.**

**13. Compliance With Laws.** Company warrants that all goods supplied and/or services performed hereunder will have been produced or performed in compliance with and Company agrees to be bound by all applicable federal, state and local laws, orders, rules and regulations. Company is required to submit Material Safety Data Sheets ("MSDS") with all first time shipments to SSC.

**14. Orders; Shipment.** SSC may revise specifications for goods by notice to Company. If such change would affect Company's costs or delivery schedule, the parties shall agree in writing on an equitable adjustment to the price and/or delivery schedule. Any claim for adjustment must be made by Company within 30 days of SSC's notice of revision or shall be deemed waived. SSC may revise, suspend or terminate accepted Purchase Orders by notice to Company. Company's sole claim shall be for costs reasonably incurred in performance of the order prior to revision, suspension or termination but Company shall be entitled to such costs only if SSC revises, suspends or terminates the order for convenience, and only if Company provides evidence of such costs within 30 days of such revision, suspension or termination. SSC's revision, termination or suspension of an order shall not preclude SSC from availing itself of other remedies in the event of Company's breach. Company shall deliver the goods FOB shipping point. Notwithstanding the foregoing, if shipment to SSC originates from outside the United States, Company shall deliver the goods in accordance with the delivery term specified by SSC in its Purchase Order and such delivery term shall be defined in accordance with INCOTERMS 2010, as amended or updated from time to time. Shipment must actually be effected within the time stated on this Purchase Order, failing which SSC reserves the right to purchase elsewhere and charge Company with any loss incurred thereon. All materials must be forwarded by the particular means and route named unless purchased F.O.B., D.D.U. or D.D.P. destination; commercial impracticability of such means or route shall terminate this contract, at SSC's option, unless substitute is agreed to by SSC before shipment. No charge will be allowed for packing, boxing or crating unless agreed upon in writing at the time of purchase, but damage to any material not packed to insure proper protection to same will be charged to Company.

**15. Prices and Payment.** Company represents that the price charged for the goods or services covered by this Purchase Order is the lowest price charged by Company to buyers of a class similar to SSC under conditions similar to those specified in this Purchase Order and that such prices comply with applicable Government regulations in effect. Company

agrees that any price reduction made in goods or services covered by this Purchase Order subsequent to the placement of this order will apply to this order. Unless otherwise agreed by SSC, payment terms shall be net 45 from the later of receipt of shipment or invoice. SSC reserves the right to set off any amounts due to SSC against amounts paid hereunder. Prices are payable in U.S. dollars unless otherwise indicated by SSC.

**16. Tooling.** All special dies, molds, patterns, jigs, fixtures and other property furnished by SSC, paid for by SSC, or required for use in the performance of this contract shall be, and remain, the property of SSC, shall be subject to removal by SSC, shall be used only in filling orders from SSC and shall be held at Company's risk. Any failure by Company to return the tooling and other property of SSC after a reasonable request to do so shall result in irreparable injury to SSC, its business and property and SSC shall be entitled to injunctive relief ordering the return of its tooling and property. Company's acceptance of the above provisions regarding return of tooling and other property furnished or purchased by SSC is a material factor in SSC's decision to do business with Company. In the event SSC is required to seek legal action in order to enforce the provisions of this Section, Company shall be liable for actual attorneys' fees and other expenses incurred by SSC in enforcing this provision regarding the return of special tools, molds, patterns, jigs, fixtures and other personal property furnished by SSC, paid for by SSC or required for use in the performance of this contract.

**17. Insurance.** In accepting this order, Company agrees to maintain at its own expense a policy or policies of product liability insurance with respect to all goods and services sold to SSC or its affiliate corporations. Such insurance shall include "vendor coverage" and shall name Strattec Security Corporation as an additional insured and shall be written with such companies and contain such provisions as shall be satisfactory to SSC. Such policy or policies shall be in amounts of not less than \$500,000 per person, per occurrence, with a \$1,000,000 aggregate per policy year for bodily injury liability and \$500,00 per occurrence and \$1,000,000 aggregate per policy year for bodily damage liability. Company agrees to furnish a certificate of insurance to SSC as evidence of such insurance and provide SSC with ten (10) days prior written notice of cancellation or material change in such insurance.

**18. Certification.** During the performance of this contract, Company agrees that it and any other covered federal contractor/subcontractor involved in the fulfilling of this contract shall, where applicable:

- (A) comply with the terms of the Equal Opportunity clause contained in 41 C.F.R. § 60-1.4(a), or its successors, which clause is hereby incorporated by reference as provided for in 41 C.F.R. § 60-1.4(d);
- (B) comply with the terms of the Equal Opportunity for Disabled Veterans, Recently Separated Veterans, Other Protected Veterans, and Armed Forces Service Medal Veterans clause contained in 41 C.F.R. § 60-300.5(a), or its successors, which clause is hereby incorporated by reference as provided for in 41 C.F.R. § 60-300.5(d);
- (C) comply with the terms of the Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, Recently Separated Veterans, and Other Protected Veterans clause contained in 41 C.F.R. § 60-250.5(a), or its successors, which clause is hereby incorporated by reference as provided for in 41 C.F.R. § 60-250.5(d);
- (D) comply with the terms of the Equal Opportunity for Workers with Disabilities clause contained in 41 C.F.R. § 60-741.5(a), or its successors, which clause is hereby incorporated by reference as provided for in 41 C.F.R. § 60-741.5(d);
- (E) comply with the Fair Labor Standards Act of 1938, as amended; and
- (F) comply with the terms of the "Employee Rights Under the National Labor Relations Act" employee notice clause contained in 29 C.F.R. Part 471, Appendix A to Subpart A, or its successors, which clause is hereby incorporated by reference as provided for in 29 C.F.R. § 471.2(b).

**19. Exclusive Terms.** These terms and conditions shall control in any contract resulting from or arising out of the Purchase Order regardless of printed terms, conditions or provisions found in responses hereto or documents giving rise hereto; all of such printed matter incorporated therein being deemed waived insofar as the same differ from or add to these terms and conditions, unless such different or additional terms, conditions or provisions shall be specifically asserted for inclusion in written form other than printing and be specifically accepted by SSC as a change in these terms and conditions by express reference in writing. The applicability of this paragraph is an express condition to any contract being formed between the Company and SSC. SSC's offer to purchase goods or services from Company, and any contract therefor, is expressly limited to these terms and conditions. If this document is deemed an acceptance by SSC of a prior offer by Company, such acceptance is limited to the express terms and conditions herein. SSC objects to and rejects any different, additional or varying terms proposed by Company, except additional warranties by Company, regardless of whether such terms would materially alter these terms and conditions. Company's proposal of additional or different terms shall not operate as a rejection of SSC's terms except to the extent such variances are in the description, quantity, price or place or date of delivery of goods or services, and SSC's terms shall be deemed accepted without said additional or different terms. Company shall be deemed to have made an unqualified acceptance of these terms and conditions on the earliest of the following to occur: (A) performance against this Purchase Order, or (B) Company's failure to object to these terms and conditions within ten days of receipt, or (C) any other event constituting acceptance under applicable law.

**20. Applicable Law; Arbitration of Disputes.** Each Purchase Order and any contract arising herefrom in connection with both goods and services provided by the Company shall be governed by the internal laws of the State of Wisconsin,

including without limitation the Uniform Commercial Code as adopted in the State of Wisconsin. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this contract or any purchases or sales hereunder. Any controversy or claim arising out of or relating to this Agreement shall be determined by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (or, if Company is an entity organized under the laws of a country outside the United States, the International Arbitration Rules of the American Arbitration Association). The place of arbitration shall be Milwaukee, Wisconsin. Judgment on any award rendered by the arbitrator(s) may be entered by any court of competent jurisdiction. The arbitration provision in this section 20 shall survive if this Agreement terminates for any reason.

**21. Quality System.** Company agrees that all goods supplied will be manufactured in compliance to the approved quality system most recently audited by SSC. SSC's failure to audit shall not relieve Company of liability for failure to manufacture goods in compliance with quality systems that were approved by SSC or that would be reasonable under the circumstances.

## **22. Wisconsin Sales/Use Tax Exemption**

SSC, a manufacturer holding Seller' Permit No. 585576, issued pursuant to the Wisconsin Sales Tax Law, hereby certifies that this purchase is exempt from the Wisconsin Sales and Use Tax for one of the following reasons:

1. Purchase for Resale, Lease or Rental.
2. Purchase of an ingredient or component part destined for sale.
3. Purchase of tangible personal property which is consumed or destroyed or loses its identity in manufacturing.
4. Purchase of containers or other packing and packaging material used in shipping.
5. Purchase of machinery and processing equipment (repair, service or maintenance thereof) used exclusively by the manufacturer in manufacturing.
6. Purchase is not tangible personal property or taxable services.

SSC further agrees that should this purchase later be determined not to be exempt under the above exemption, Wisconsin Sales Use Tax liability will be assumed by SSC.

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## Manager Tax Compliance

**23. Conflict Minerals Compliance.** Company represents and warrants that none of the materials it supplies or will supply to SSC or SSC's affiliates hereunder or pursuant to a Purchase Order issued by SSC or its affiliate will contain any Conflict Minerals (as defined below) and that no Conflict Minerals will be used or purchased for use by Company in a product manufactured or contracted to be manufactured by Company hereunder or pursuant to a Purchase Order issued by SSC or its affiliate where such Conflict Minerals are necessary to the functionality or production of the product manufactured or contracted to be manufactured by Company hereunder or pursuant to a Purchase Order issued by SSC or its affiliate. Company shall ensure that each of its suppliers of materials necessary to the functionality or production of the product manufactured or contracted to be manufactured by Company hereunder or pursuant to a Purchase Order issued by SSC or its affiliate complies with the obligations contained in this paragraph. In addition, Company agrees to provide SSC and its affiliates with such assistance and cooperation, as is reasonably necessary, in order for SSC and its affiliates to fully comply with the Conflict Minerals Law (as defined below). Without limiting the foregoing, the assistance and cooperation to be provided by Company to SSC and its affiliates pursuant to this paragraph shall include assistance and cooperation with a country-of-origin inquiry for any minerals used or purchased for use by Company in a product manufactured or contracted to be manufactured by Company hereunder or pursuant to a Purchase Order issued by SSC or its affiliate, and producing information and documentation requested by SSC and/or its affiliates or any third party hired by SSC and/or its affiliates to assist with compliance with the Conflict Minerals Law. For purposes of this paragraph the following terms have the following meanings:

**"Conflict Minerals"** means (a) columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives, which include tantalum, tin and tungsten, unless the Secretary of State of the USA determines that additional derivatives are financing conflict in the Democratic Republic of the Congo or a country that shares an internationally recognized border with the Democratic Republic of the Congo (i.e. Angola, Burundi, Central African Republic, The Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia); or (b) any other mineral or its derivatives determined by the Secretary of State of the USA to be financing conflict in the Democratic Republic of the Congo or a country that shares an internationally recognized border with the Democratic Republic of the Congo.

**"Conflict Minerals Law"** means Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as it may be amended from time to time, and any regulations, rules, decisions or orders relating thereto adopted by the Securities and Exchange Commission or successor governmental agency responsible for adopting regulations relating thereto.