

## Terms and Conditions of Sale

1. **Quotations.** Written quotations by Eaton Corporation through its Automotive Group, hereinafter referred to as "Seller," shall expire automatically within ninety (90) days after the date appearing on the quotation unless Seller receives and accepts Buyer's order within that period, but even prior to the expiration date any quotation is subject to change by Seller at any time upon verbal or written notice to Buyer.
2. **Acceptance of Purchase Orders.** Notwithstanding any contrary language of Buyer's purchase order, each purchase order shall be subject to acceptance by an authorized employee of Seller and each transaction shall be governed exclusively by these Terms and Conditions of Sale. Such acceptance is expressly limited to these Terms and Conditions of Sale, and any additional or different terms proposed by Buyer are automatically rejected unless expressly assented to in writing by Seller. No contract shall exist except as hereinabove provided.
3. **Price Changes.** All prices are subject to adjustment at time of delivery for cost changes incurred by Seller.
4. **Taxes.** Any and all sales, use, personal property or other taxes assessed upon any sale or products sold, which Seller is obligated to prepay, shall be added to the purchase price of the products.
5. **Payment Terms.** Payment terms are net 10th Proximo and are effective from actual date of invoice unless otherwise agreed.
6. **Releases.** Seller shall not fabricate or ship any items except to the extent authorized in Buyer's purchase order or in subsequent releases from Buyer  $\pm 10\%$ .
7. **Packaging.** The cost of standard bulk packaging for shipment in the United States and Canada is included in Seller's price. Additional charges may be imposed for special domestic packaging, overseas packaging, or special marking performed at Buyer's request and agreed to by Seller.
8. **Shipment Terms.** All shipments shall be made F.O.B. Seller's factory unless otherwise agreed. Seller shall also be entitled to impose additional charges for the completion, at Buyer's request, of forms with respect to shipping. Unless otherwise agreed, shipment may be made by lots of reasonable commercial size as Seller deems appropriate.
9. **Title and Risk of Loss.** Risk of loss or damage in transit shall be borne entirely by Buyer at all times after the products are delivered to the carrier for shipment. However, title to the products and the right to stop delivery in transit shall remain with Seller until payment in full has been received by Seller.
10. **Delays or Default in Delivery.** Seller shall have no liability to Buyer for Seller's delay or default in delivery due to strikes, secondary boycotts, riots, wars, accidents, fires, floods, explosions, vandalism, government embargoes, priorities or regulations, transportation delays, shortages of labor, fuel, materials, supplies, power, transportation facilities or tooling capacity or other similar or dissimilar causes beyond Seller's reasonable control. Under no circumstances shall Seller have any liability for penalties or other consequential damages of any kind resulting in whole or in part from Seller's delay in delivering, or failure to deliver, any products to Buyer as agreed.
11. **Patent Infringements.** With respect to all products manufactured to Buyer's specifications, Buyer shall indemnify and hold Seller harmless from and against any and all lost, cost, expense, claims, demands, suits and judgments arising from actual or alleged patent infringements. With respect to all other products sold by Seller, Seller shall defend any suit or proceeding brought against Buyer on a claim that such a product, or any part thereof, directly infringes any U.S. patent, provided that Seller is notified promptly in writing and given all necessary information, assistance and authority to defend same. Seller shall pay all damages and costs awarded against Buyer as a result thereof. If as the result of such direct infringement, the court enjoins the use of any product, or part thereof, in the manner intended by Seller, Seller shall at its sole expense, at Buyer's option: (a) procure for Buyer the right to continue using said product or part, (b) replace such product or part with a non-infringing product or part, (c) modify said product or part so that it becomes non-infringing or (d) remove said product or part and refund its purchase price and transportation costs. Seller shall have no further liability for actual or alleged patent infringement except as provided herein.
12. **Design and Technical Information.** Seller claims proprietary rights in the items and information associated with this quotation and any purchase order issued by Buyer resulting from this quotation. Drawings and technical information are issued in confidence for engineering information and mutual assistance only and may not be publicly disseminated, reproduced or used by Buyer without Seller's prior written consent and shall be returned when its purpose has been served.
13. **Special Tooling.** All tooling patterns, dies, jigs, fixtures and tool expense shown in connection with special production items are priced at Seller's costs, and title shall be vested in Seller. Seller agrees to maintain and replace at Seller's expense such equipment during the time that the respective items (without change) continue to be purchased from Seller. Equipment may be considered obsolete and scrapped by Seller if no items have been fabricated from it during a continuous period of one (1) year. Should Buyer wish to own the equipment outright, such purchase may be effected upon mutually agreed terms.
14. **Warranty.** Seller warrants that the goods will conform with the agreed upon specifications and will be free of defects in material and workmanship as of their respective dates of shipment from Seller's plant. Goods which Seller and Buyer agree violate such warranty shall be returned to Seller at Buyer's expense for refund or replacement. **SELLER WILL HAVE NO OTHER OBLIGATION WHATSOEVER WITH REGARD TO THE GOODS. THE ABOVE WARRANTY IS EXCLUSIVE, AND SELLER HEREBY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL SELLER BE RESPONSIBLE FOR CONSEQUENTIAL OR OTHER DAMAGES.**
15. **Cancellation.** Cancellation of an order or portions thereof may be made by Buyer upon written notice to Seller received at least sixty (60) days prior to scheduled date of shipment. Upon receipt of such cancellation notice, production will be stopped as promptly as reasonable possible and Buyer will be liable for cancellation charges computed as follows:
  - (a) for all completed items, established prices;
  - (b) for all incomplete items, the full cost incurred by Seller up to the time of work stoppage plus Seller's normal profit;less an amount equal to the purchase price of items that can be used currently to fill other orders and the scrap value of other items. Any items scheduled for shipment within thirty (30) days of Buyer's request for cancellation will be paid for in full by Buyer.
16. **Returns.** No products shall be returned to Seller, whether for inspection, repair, replacement, or any other reason, without prior written consent from Seller.
17. **Remedies.** Any lawsuit or legal claim for breach of this order must be brought within one (1) year after the breach occurs.
18. **Non-discrimination in Employment.** Seller agrees that the representations and provisions required by Executive Order No. 11246 of September 24, 1965, (as amended by Executive Order No. 11375 of October 13, 1967), the Rehabilitation Act of 1973 and the Vietnam Era Veterans Readjustment Act of 1974 relating to equal opportunity are hereby incorporated in and made a part hereof.