

Omron Purchase Terms and Conditions

Terms and Conditions: Acceptance. Buyer, Omron Microscan Systems, Inc offers to purchase the goods and services (the "Products") specified in the purchase order ("Order") subject to these terms and conditions ("Terms"). Seller's starting work on this Order, or 5 days with no rejection, whichever is first, constitutes acceptance of this Order and these Terms. Acceptance of this Order is limited to acceptance of its express terms. Any additional or different terms Seller proposes in its acknowledgment or otherwise are deemed material, and Buyer hereby objects to such terms. If this Order is deemed an acceptance of a prior offer by Seller, such acceptance is limited to the express terms hereof.

Change Orders. At any time Buyer may change the Specifications, quantity, packaging, time and place of delivery, and method of transportation. If any such change causes a material increase or decrease in the cost or time of performance, the parties agree to make an equitable adjustment and modify this Order accordingly. Any increase in price will not exceed the actual cost increases and must be supported with documentation provided by the Seller. To the extent the costs have actually decreased, the prices shall be deemed decreased on a per-unit basis to reflect such cost savings. Seller agrees to accept any such change. Seller shall not make any changes to the Products without Buyer's written consent, which may be withheld, conditioned, or delayed at Buyer's sole discretion, including any (i) changes in the design or composition of the Products, (ii) changes in the location where the Products are manufactured or, (iii) increases in the lead time of any Product. Any change in lead time will come into effect only after a period equal to the newly agreed lead time has expired.

Payment; Inspection; Etc. Payment terms are as provided on the face of the Order or otherwise stated by Buyer; provided Buyer is deemed to accept and be qualified for all applicable prepayment discounts. Payment (in part or whole) for the Products shall not constitute acceptance. Seller will promptly submit correct and complete invoices to Buyer after delivery of Products. Buyer may inspect the products. If Buyer rejects any Non-Conforming Products, Buyer may elect to (i) require Seller, at Seller's sole cost and expense, to repair or replace the rejected Products at the location specified by Buyer or (ii) require Seller to provide a full refund of all non-conforming Products purchased by Buyer; in each case without limiting the exercise by Buyer of any other rights available to Buyer under these Terms or pursuant to applicable law. All returns of Non-Conforming Products are at Seller's sole risk and expense. Buyer's acceptance of any Products will not be deemed to be a waiver or limitation of Seller's obligations including those obligations with respect to Seller's Product warranties and Seller's duty to indemnify Buyer. Upon reasonable notice, Seller agrees to allow Buyer access to Seller's premises to inspect and verify that the Products conform to the Specifications and Buyer's Supplier Quality Manual to the extent made available by Buyer.

Warranties. Seller warrants that all Products: (a) are merchantable and fit for the particular purpose intended by Buyer and its customers of which Seller is aware (and Seller acknowledges that it knows of Buyer's intended use of the Products and that such Products have been selected, designed, manufactured, or assembled by Seller based upon Buyer's stated use and will be fit and sufficient for the particular purposes intended by Buyer); (b) fully conform to applicable Specifications, including Governmental Requirements regarding importation, the environment, safety and health; and labor, employment and discrimination; (c) do not (and their use or incorporation in other products by Buyer will not) infringe any Intellectual Property Right (unless the Product is designed by Buyer); (d) will be free of latent and patent defects in design, materials and workmanship as well as in shipping, handling, packaging, and processing, and (e) will be new and conveyed by Seller to Buyer with good title, free and clear of all liens. The warranty term hereunder shall be 3 years from the date of invoice. Seller shall reimburse Buyer for all expenses, costs, and liabilities (including labor charges and attorney's fees and disbursements) incurred by Buyer in connection with the sale or use of any Products claimed to be defective or Seller's breach of warranty hereunder, including all liabilities, costs and expenses of Buyer: (i) incurred as a result of returning, disposing of, repairing, or replacing any Non-Conforming Products; (ii) arising in any way in connection with any Buyer Customer Claim; (iii) arising in connection with problems in other parts of a completed product resulting from Non-Conforming Products; (iv) liabilities or costs arising from personal injury or property damage caused directly or indirectly by Non-Conforming Products; and (v) any of the foregoing as they relate to a recall or service campaign of any type.

Delivery and Shipping. Time is of the essence with respect to any Order and Seller shall deliver strictly in accordance with delivery schedule(s) and lead times set forth herein or otherwise by Buyer. In the event of a failure to deliver in accordance with the preceding sentence, Buyer shall be entitled to (i) obtain the Products from another seller for as long as the duration of such failure and reduce the amount of Products ordered from Seller accordingly, (ii) approve a revised delivery date, (iii) require expedited or premium shipping or, (iv) terminate this Order. Buyer may specify the method of transportation and the type and number of packing slips and other documents to be provided with each shipment. Seller will pack, mark, ship Products, and deliver the Product to the address specified in accordance with Buyer's instructions including labeling and hazardous materials instructions and in accordance with applicable law and sound commercial practices.

Price and Quality. Pricing is as agreed to in writing by Buyer. Prices shown on this Order are complete, and no additional charges (including shipping, packaging, labeling, custom duties, taxes, storage, and insurance) of any type shall be added. Annually, Buyer and Seller shall participate in annual price reduction negotiations in good faith. Seller shall meet or exceed Buyer's quality standards for the Products as adopted by Buyer from time to time, and which are provided by Buyer to Seller in writing including the requirements laid out in the Buyer's Specifications and Supplier Quality Manual to the extent made available by Buyer.

Indemnities. Seller shall indemnify and hold harmless Buyer and its officers, employees, agents, and affiliates from and against all liabilities, losses, claims, actions, costs, expenses, and disbursements (including attorney's fees), related to any investigation, litigation or other proceeding which arises or is alleged to arise in connection with the Products or otherwise from Seller's acts or omissions under this Order, including recalls and Non-Conforming Products (the same to apply whether or not (i) Buyer is a party thereto, (ii) Buyer was negligent in connection therewith or (iii) the foregoing are based on contract, tort or strict liability). Without limiting the foregoing, Seller (at its own expense) shall indemnify and hold harmless Buyer and defend or settle any action brought against Buyer to the extent that it is based on a claim that any Product infringes an Intellectual Property Right.

Insurance. Seller shall maintain general liability, public liability, "errors and omissions" coverage, products liability, property damage, and workers' compensation insurance in commercially reasonable amounts with reputable insurers. Seller shall give Buyer 30 days' prior written notice of any cancellation or substantial change of coverage. Annually, Seller shall provide Buyer an insurance certificate evidencing the foregoing.

Buyer's Property. Unless Buyer agrees in writing, all tools, tooling, dies, jigs, Specifications and other materials Buyer provides to Seller ("Buyer's Property") shall at Seller's sole expense (a) remain the sole property of Buyer, (b) be plainly marked or otherwise clearly identified by Seller as "Property of Omron" or its customer, (c) be stored and used in accordance with Buyer's instructions, and (d) maintained in good condition and repair. Seller will maintain a written inventory of all Buyer's Property that sets forth a description and location of all Buyer's Property, and provide a copy of this inventory to Buyer upon request. Seller will hold Buyer's Property on a bailment basis and will be responsible for risk of loss and damage to Buyer's Property while in its possession or control. Buyer may, at any time, for any reason and without payment of any kind, retake possession of any of Buyer's Property without the necessity of payment or notice to Seller, or a hearing or a court order, which rights, if any, are waived by Seller.

Quality Performance Requirements. Seller shall ensure that its and its subcontractors' personnel have the required training and experience to perform of this Order. Seller shall notify Buyer in writing should there be (i) changes in Seller's quality process or procedures that affect form, fit or function of any Products, (ii) any loss of Seller's certifications, or (iii) any adverse action against Seller which may affect Seller's obligations hereunder. Seller should notify Buyer in writing with at least 90 days advance notice of any sale, relocation, closure or transfer of Seller's or its subcontractors' manufacturing operations. Seller shall have and maintain a quality management system in accordance with the latest version of ISO 9001 or equivalent. Buyer shall have the right to audit Seller's quality management systems at any time and perform any root cause analysis test for any nonconforming Product. Buyer may provide corrective action feedback based on such test. Seller shall establish a corrective and preventive action plan to prevent or eliminate nonconforming Product upon receipt of such feedback. Seller shall provide or obtain for Buyer, Buyer's customers and regulatory agency personnel, access to all facilities where Products are or will be manufactured, including those facilities of Seller's subcontractors, in order to perform inspection or audit Seller's operation system and process. Seller's failure in fulfilling any requirements hereunder may result in termination of Approved Supplier's status.

Compliance with Laws. Seller shall at all times comply with all laws; regulations; rules; and policies of Buyer applicable to this Order, including maintaining export compliance program; proper licenses and certifications; and obtaining and maintaining all permits necessary for performing under this Order. Upon Buyer's request, Seller shall promptly provide to Buyer, in such form and detail as Buyer requests, all documents and information necessary to Buyer concerning the materials incorporated in the Products, including the amount, the country of origin and any information concerning any changes in or additions to materials.

Compliance with Rules, Regulations and Requirements. Seller is and remains solely responsible for the full compliance of all applicable rules and regulations on product safety directives (EU Machinery, Electromagnetic Compatibility and low voltage), restriction of hazardous substances (RoHS) directives, waste electrical and electronic equipment disposal (WEEE) directives, Seller is and remains solely responsible for the full compliance of delivered Products, parts of Products with the requirements of REACH, Packaging and Packaging Waste and Waste Batteries and Accumulators directives.

Confidentiality. All information and materials supplied by Buyer in connection with this Agreement are proprietary to, and may contain trade secrets of Buyer. Seller may not reproduce or distribute such information to any third party or any other person except its own employees who require such information as part of their duties. Seller shall strictly maintain the confidentiality of all such information furnished by Buyer (except information previously available to Seller and information in the public domain or disclosed pursuant to a binding Governmental Requirement). Seller shall not sell, transfer, or loan to any entity (except Buyer) or otherwise make use of (i) Products manufactured from Specifications or other information originating from or furnished by Buyer; or (ii) Products identified with Buyer's trademarks or trade names or contained in containers or wrappings so identified. In addition, without Buyer's prior written consent, Seller shall not advertise or disclose in any manner that Seller has contracted with or has furnished Products to Buyer.

Intellectual Property Rights; Inventions. If Buyer provides for or otherwise pays Seller for the development of any Intellectual Property Right related to the Products, then Buyer shall be deemed to be the sole owner thereof and Seller shall take all action reasonably requested by Buyer to perfect such rights and ownership in Buyer. If Seller is the sole developer of any Intellectual Property Right, then Seller shall be deemed the sole owner thereof.

Excusable Delay. Either party may suspend performance during an Excusable Delay; provided that Seller may not suspend performance for more than 30 days hereunder. If Seller discovers facts reasonably likely to result in an Excusable Delay, Seller promptly shall (a) advise Buyer and (b) use its best efforts to reduce the effect of the Excusable Delay on Buyer. Upon Buyer's request, Seller shall furnish to Buyer (i) information Buyer requests about possible Excusable Delays and (ii) Seller's assurance or contingency plans with respect thereto.

Termination; Cancellation. Buyer reserves the right to cancel this Order or any part hereof for its sole convenience at any time by giving written notice to Seller. Upon such cancellation, Seller immediately shall, and shall cause each of its suppliers and subcontractors to stop all work hereunder.

Liability Limits; Etc. IN NO EVENT SHALL BUYER OR ITS AFFILIATES BE LIABLE FOR ANTICIPATED PROFITS, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES OR PENALTIES. BUYER'S LIABILITY ON ANY CLAIM FOR LOSS OR DAMAGE ARISING IN CONNECTION WITH THIS ORDER SHALL NOT EXCEED THE PRICE ALLOCABLE TO THE PRODUCTS WHICH GIVE RISE TO THE CLAIM. Any action resulting from any breach by Buyer must be commenced within one (1) year after the cause of action has accrued.

Miscellaneous. (a) **Waiver.** No failure or delay by Buyer in exercising any right under this Order and no course of dealing between Buyer and Seller shall constitute a waiver of any of Buyer's rights. (b) **Assignment.** Seller shall not assign, delegate or subcontract its rights or obligations hereunder without the written consent of Buyer. (c) **Law.** This Order is governed by Illinois law (without regard to conflict of law principles) and applicable federal and state courts in Illinois shall have exclusive jurisdiction with respect to any matter related in any way hereto. (d) **Amendment.** This Order with these Terms constitutes the entire agreement between the parties and may not be amended, discharged or waived without the written agreement of Buyer. (e) **Severability.** If any provision is found to be ineffective or invalid under law, such provision shall be severed here from without affecting any other provision. (f) **Setoff.** All claims for money due or to become due from Buyer shall be subject to deduction or setoff by Buyer for any claim arising out of this or any other transaction with Seller, including any chargebacks from Buyer's customer. (g) **Risk of Loss.** Risk of loss shall pass to Buyer upon delivery of the Products at the location specified by Buyer. (h) **Labor Contracts.** Seller will notify Buyer at least 6 months before the expiration of a current labor agreement that has not been extended or replaced. (i) **Definitions.** "Buyer Customer Claims" means claims against Buyer made by or through Buyer's customers arising, or alleged to arise, from Non-Conforming Products being incorporated in products of Buyer's customers. "Excusable Delay" means any delay not caused by the material fault or negligence of the delayed party and which results from acts of God or public enemy, restrictions, prohibitions, priorities or allocations imposed by a governmental authority or embargoes, floods, fires, typhoons, earthquakes, epidemics or other like causes; provided that "Excusable Delay" shall not include lockouts, shortages of labor, lack of or inability to obtain raw materials, fuel or supplies (unless caused solely by Governmental Requirements) or other industrial disturbances. "Governmental Requirements" means any laws, rules, regulations, required consents or any other like requirements, guidelines or standards imposed by a governmental authority. "Including" means "including without limitation." "Intellectual Property Right" means any patent, trade secret, trademark, service mark, copyright, or other intellectual property right. "Non-Conforming Product" means any Product which, at any time, breaches the warranty hereunder, the Specifications, quantity or does not comply with any of the Terms hereof. "Specifications" mean (i) drawings, descriptions, samples, models and other specifications or standards furnished by Buyer or furnished by Seller and approved by Buyer; (ii) industry standards; (iii) quality control standards established by Buyer; (iv) Governmental Requirements; and (v) descriptions, schedules, affirmations of function or performance or other statements, written or oral by Seller. "Country of Origin" shall mean either the country where a Product has been wholly obtained or, when more than one country is concerned in the production of the Product, the country where the last substantial transformation has been carried out. "Approved Supplier" shall mean a supplier which is selected as the "preferred" source of inputs as part of Buyer's purchasing requirements.