

JOHNSON ELECTRIC GROUP STANDARD TERMS OF SALE FOR NON-AUTOMOTIVE PRODUCTS AND SERVICES

All sales of non-automotive products and services to a third party by Johnson Electric Group, including all of its divisions and subsidiaries in all geographic locations around the world (“**Seller**”), are made on the following terms and conditions, including the **Software License Addendum**. In these Standard Terms of Sale, any products sold by Seller to the buyer named in Seller’s quotation or acknowledgment (“**Buyer**”) are referred to below as “**Products**” and any services sold by Seller to Buyer are referred to below as “**Services**”. These Standard Terms of Sale are incorporated by reference into every quotation, acknowledgement and invoice issued by Seller.

1. Agreement. If Buyer has not otherwise agreed to these Standard Terms of Sale, then Buyer’s acceptance of Seller’s quotation (“**Quotation**”) for or delivery of, or payment for, the Products or Services shall constitute Buyer’s agreement to these Standard Terms of Sale. Seller objects to and will not agree to any terms that are additional to or different from these Standard Terms of Sale. Terms that are printed on or contained in a purchase order (“**PO**”) or other form prepared by Buyer which is additional to, in conflict with or inconsistent with these Standard Terms of Sale shall be considered to be inapplicable and shall have no force or effect. If Buyer objects to any of the provisions of these Standard Terms of Sale, Buyer must bring such objection to the attention of Seller in writing separate from any PO or other printed form of Buyer, which shall be deemed to be a proposal for different terms and conditions that may be accepted only in writing signed by Seller. All POs are subject to the approval of Seller.

2. Prices. The prices for the Products and/or Services are listed on the face of the Quotation and are not subject to decrease on account of pricing to any other buyer. Prices quoted are firm for 30 days from the date of the Quotation, with the exception that Seller reserves the right to correct any and all typographical errors. Seller have the right to increase its prices at any time upon notice to Buyer to reflect any increase in Seller’s costs, including, but not limited to, an increase in the cost of materials (including all components of the Products), cost of labor, inflation rate, foreign exchange rate and any other changes in economic or market conditions. If Buyer requests and Seller agrees to any changes in Buyer’s PO after its receipt by Seller, Buyer shall pay all charges reasonably assessed by Seller with respect to those changes. Any engineering or other change to the Products and/or Services by Buyer will permit Seller to re-quote the Products and/or Services in their entirety. In the event that any change to the Products results in the obsolescence of any raw material or supplies reasonably purchased by Seller, Buyer shall pay for such costs prior to the delivery of any modified Products. These conditions shall apply to all POs or releases issued by Buyer regardless of their nature of being a requirement, serial, blanket, open, fixed-term or spot buy PO.

3. Payment Terms. Payment shall be effected in full according to Seller’s Quotation or acknowledgement, except that if at any time Seller determines that Buyer’s financial condition does not justify a sale on credit (if offered by Buyer) or if Buyer shall at any time be in default in any indebtedness or obligation owing to Seller, then Seller may require advance payment or may ship C.O.D., and may withhold shipments on orders being shipped in installments. Seller may also require periodic progress payments, and shall have the right to suspend performance if progress payments are not made as required. Any payment not made when due shall accrue a late charge of 1.5% per month. Payment must be made to Seller’s designated bank account(s). Buyer may not offset or recoup any claim against amounts due Seller. Buyer shall comply with the dates of payment even if transportation, delivery, erection, commissioning or acceptance of Products or performance of the Services is delayed or prevented by for reasons beyond the control of Seller. Buyer is not entitled to withhold or reduce payments because of complaints, or to offset them against counter-claims that Seller does not recognize or that have not been established with any legal force.

4. Delivery and Risk of Loss. Unless otherwise stated on the face of the Quotation or acknowledgement, Seller shall deliver the Products FCA (Incoterms 2010) Seller’s facility from which the Products will be shipped. In either case, title and risk of loss of the Products shall pass to Buyer upon delivery of the Products as determined by the Incoterms delivery term. Shipping, delivery and performance dates are estimates only, calculated from the date of receipt of Buyer’s PO and complete drawings, specifications, designs, samples and other information reasonably requested by Seller to manufacture the Products and perform the Services, and time is not of the essence. Buyer is responsible for insuring the Products against risks of any kind. Even if insurance is to be arranged by Seller, it counts as concluded on Buyer’s behalf. Seller shall not incur any liability, direct or indirect, nor shall any PO be canceled because or as a result of any delays in meeting such dates or schedules. Seller reserves the right to recalculate any projected shipping, delivery or performance dates upon receipt of Buyer’s PO. Seller may ship all the Products at one time or in portions from time to time. Buyer shall comply with all applicable export laws and regulations. Buyer will not, unless properly authorized, import, export, re-export, resell, transfer or disclose (directly or indirectly) any Products or technical data, or the direct product of any Products or technical data: (1) to any person or entity designated on a restricted parties list; (2) to any country subject to an applicable embargo or economic sanctions program; (3) for any prohibited end-use (i.e., nuclear, missile, chemical/biological weapon proliferation). Buyer shall hold Seller harmless from any liability arising from Buyer’s failure to comply with such laws, regulations and orders.

In the event that Buyer transports the purchased Products outside the jurisdiction of Seller, Buyer shall keep record and books of the transportation documents and make these available to Seller upon request. The delivery period commences as soon as a PO has been accepted by Seller, when all official formalities such as export, import and payment permits have been obtained, when payments and securities due upon placing the PO have been made and when the essential technical points have been settled. The delivery period is deemed to have been respected if, on expiry, the Products are ready for dispatch. The right to reclaim the Products delivered to Buyer remains with Seller until Buyer has settled all receivables to which Seller is entitled from Buyer.

5. Taxes and Duties. Seller's price does not include any privilege, occupation, personal property, value-added, sales, excise, use or other taxes, or any tariffs or customs duties, and Buyer shall be liable for all such taxes, tariffs and duties, whether or not Seller invoiced Buyer for them. In case of any withholdings of tax on the payments made by Buyer to Seller, Buyer is obliged to provide Seller with all relevant documentation concerning the withholding.

Notwithstanding the foregoing, if Products sold by Seller are subject to Seller paying customs duties, tariffs, or federal, provincial, state, or local taxes, including all import taxes, excise taxes and sales taxes (collectively "**Charges**"), unless otherwise expressly agreed to by Seller in a signed writing, prices to be paid by Buyer for such Products include such Charges as applicable. Any increase in Seller's costs resulting from a change in the Charges, including but not limited to transportation charges, customs duties, tariffs, import taxes, excise taxes and/or sales or any other such taxes on the Products or any component thereof, shall be automatically added to the price for the Products retroactive to the effective date of such increase; the resulting new price shall take effect on the aforesaid date regardless of whether Buyer issues a new PO reflecting such increases (whether for replacement of a PO already in effect or for new purchases following the effective date of the new price).

6. Force Majeure, Unavoidable Delay and Shortages. If Seller is not able to finish and deliver the Products to Buyer or to perform the Services on time because of anything Seller cannot control (including but not limited to casualty, labor trouble, unavailability of supplies or transportation, Buyer's failure to approve production samples, fire, flood, governmental act or regulation, riot, terrorist act, equipment or power failure, unscheduled maintenance, accident or act of God), then the estimated delivery or performance time shall be extended accordingly, and Seller shall not be liable to Buyer for any damages caused by the delay. To the extent that Seller's continued delivery or performance will result in economic hardship (such as zero or negative profit margins) on Seller under any of the aforesaid events, such economic hardship constitutes a valid excuse to Seller's obligations to deliver or perform.

7. Changes. Seller shall have the right to make design or engineering changes in its parts, equipment, processes and methods of production of the Products or performance of the Services, but Seller will not make any changes in operational or dimensional specifications that Buyer submits. Stenographical and clerical errors in Quotations are subject to correction.

8. Defects; Remedies. If any item of the Products that has been properly installed proves to be defective within 1 year ("**Warranty Period**") after Seller manufactures it, and if Buyer returns the item to Seller within the Warranty Period, DAP Seller's facility, then Seller shall, at Seller's option, either repair or replace the defective item, at Seller's expense. An item shall be considered "**defective**" if Seller finds that it is defective in materials or workmanship and if the defect materially impairs the value of the Products to Buyer, except that the Products will not be defective if they conform to industry accepted tolerances or Buyer's specifications or the Products are used for applications not specified in the Quotation for the Products. This paragraph sets forth Buyer's sole and exclusive remedies for any defect in the Products. Seller does not warrant the workmanship of others who have performed work on or used the Products.

This warranty shall not apply to any alleged defect that results from damage, physical abuse, vandalism, misuse, alterations, modifications, additions or repairs made without Seller's prior consent, excessive electrical loads, exposure to water or corrosive liquids or other substances, exposure to excessive heat, or use other than as intended by Seller. Also excluded from Seller's warranty is any warranty, except as to title, with respect to Products manufactured and/or designed to Buyer's specifications or Services performed to Buyer's specifications, and the Buyer shall, at Buyer's own expense, (1) defend and hold harmless the Seller from and against any claim, suit or other expense which is asserted or brought against Seller by reason of its manufacture or sale of such Products or its performance of the Services, and (2) pay to Seller for any service charges on such Products or Services. Notice of any defect must be given to Seller within 30 days of discovery by Buyer of the defect. EXCEPT AS STATED IN THIS PARAGRAPH, SELLER DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTY AS TO THE PRODUCTS OR SERVICES, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. Buyer is solely responsible for determining the proper application and use of the Products or the Services. Seller shall not have any tort liability to Buyer with respect to any of the Products or Services and shall not be liable for consequential, incidental, special, exemplary, indirect or punitive damages that arise from any product defect, delay, non-delivery, recall or other breach, including but not limited to such damages arising out of personal injury, death, property damage, lost profits or other economic injury. Seller shall not be liable to Buyer or any other person in tort for any negligent design or manufacture of the Products, or for the omission of any warning with respect thereto, or for the negligent performance of the Services. Neither Buyer nor any other person may modify or expand this warranty, waive any of the limitations, or make any different or additional warranties with respect to the Products. NO AGREEMENT VARYING OR EXTENDING THE FOREGOING WARRANTIES, REMEDIES OR LIMITATION IN THIS SECTION WILL BE BINDING UPON SELLER UNLESS IN WRITING AND SIGNED BY A DULY AUTHORIZED OFFICER OF SELLER. Buyer shall not have any right of rejection or of revocation of acceptance of the Products or Services.

9. Solvency and Security Interest. Buyer represents that Buyer is solvent. Seller retains and Buyer grants a security interest in the Products and all proceeds to secure payment of the price and all other indebtedness now and in the future owing by Buyer to Seller.

10. Permits and Compliance. Seller is not responsible for obtaining any permit, inspection or license that is required for installation or operation of the Products or performance of the Services. Seller does not make any promise or representation that the Products or Services will conform to any law, ordinance, regulation, code or standard.

11. Safety Features. Buyer shall install and operate the Products and any equipment on which Seller has performed the Services properly and according to Seller's operating instructions and shall not remove or change any safety device, warning or operating instructions that Seller placed on the Products or other equipment.

12. Components of Another Product. If any of the Products constitute parts or components that are to be incorporated or installed in a product that is manufactured or assembled by or for Buyer, or if the Services are performed on any components that are to be incorporated or installed in a such a product, then (1) Buyer shall obtain, or cause the end-user of the product to obtain, all permits, inspections and licenses required for installation or operation of the product, (2) Buyer shall cause the product to conform to all applicable laws, ordinances, regulations, codes and standards and (3) Buyer shall place on the product all safety devices and warnings, and shall furnish to its buyer all operating instructions, that are necessary or desirable to prevent any death, personal injury or property damage from being caused by any use or operation of the product.

13. Resale. On any resale of the Products, Buyer shall contractually limit its buyer's rights and remedies against both Buyer and Seller to the same extent as Buyer's rights and remedies are limited under these Standard Terms of Sale.

14. Intellectual Property and Confidentiality. All inventions (whether or not patentable), devices, technologies, ideas, improvements, processes, systems, software and other works and matters that Seller creates or develops in the course of Seller's design, development or manufacture of the Products or performance of the Services and all drawings and specifications that Seller provides to Buyer ("**Intellectual Property**") shall be Seller's sole property, and Buyer assigns, and agrees to assign, to Seller all right, title and interest that Buyer now has or in the future acquires in the Intellectual Property. Buyer shall not disclose or use any of the Intellectual Property or any information about Seller's business, operations or activities, except to the extent necessary for Buyer to use the Products or Services.

15. Confidentiality. From time to time Seller and Buyer may disclose to each other confidential and proprietary information relating to the Products ("Confidential Information"). Confidential Information shall not include (i) is now available or becomes available to the public without breach of this section 15; (ii) is explicitly approved for release by written authorization of the disclosing party; (iii) is lawfully obtained from a third party or parties without a duty of confidentiality; (iv) is disclosed to a third party by the disclosing party without a duty of confidentiality; (v) is known to the receiving party prior to such disclosure; (vi) is independently developed by the receiving party without the use of any of disclosing party's Confidential Information or any breach of this section 15; or (vii) is required to be disclosed by a valid court order. All disclosures of Confidential Information shall be made, or confirmed, in writing and shall be marked "Confidential" or with some similar label denoting their confidentiality.

The receiving party shall (i) not disclose Confidential Information to any third party; (ii) restrict disclosure of Confidential Information to only those employees, agents or consultants who must be directly involved with the Confidential Information for the purposes of the agreement involved and who are bound by confidentiality terms substantially similar to those in this section 15; (iii) not reverse engineer, de-compile or disassemble any Confidential Information; (iv) use the same degree of care as for its own information of like importance, but at least use reasonable care, in safeguarding against disclosure of Confidential Information; and (v) promptly notify the disclosing party upon discovery of any unauthorized use or disclosure of the Confidential Information and take reasonable steps to regain possession of the Confidential Information and prevent further unauthorized actions or other breach of this section 15.

Any violation by the receiving party of its obligations pursuant to this section 15 shall not be adequately compensable by monetary damages and the disclosing party shall be entitled to an injunction or other appropriate decree specifically enforcing the receiving party's obligations pursuant to this section. Obligations under this section 15 shall survive any termination of the agreement or PO.

16. Cancellation / Termination. Any PO for the Seller's Products and Services may not be cancelled for any reason, in whole or in part, without Seller's prior written approval. In the event a cancellation is approved by Seller then, unless otherwise agreed, Buyer shall pay Seller (i) all costs and expenses Seller incurred in relation to the PO before Seller received the cancellation request, (ii) a cancellation charge equal to 25% of the invoice price of any Products cancelled from the PO, and (iii) any shipping charges and other out of pocket expenses incurred by Seller in relation to the cancellation. In the event Buyer does not agree to or pay for the price changes or the charges as stipulated in Section 2 herein, Seller reserve the right to cancel delivery of Products / Services or to terminate the relevant PO with a maximum 60-day prior written notice without any liability to Buyer. These conditions shall apply to all POs or releases issued by Buyer regardless of their nature of being a requirement, serial, blanket, open, fixed-term or spot buy PO.

17. Insecurity and Adequate Assurance. If Seller ever believes in good faith that it has grounds for insecurity as to Buyer's performance under the agreement, Buyer shall provide adequate assurance of due performance within ten (10) days after Seller demands the assurance, which shall be considered to be a reasonable time. Buyer's failure to do so shall be considered to be repudiation by Buyer of the agreement and of all other then-existing contracts that provide for Buyer to purchase Products and/or Services from Seller ("**Outstanding Contracts**"). "**Grounds for insecurity**" include, without limitation, (1) Buyer's failure to make a payment to Seller or to perform another obligation under the Contract or an Outstanding Contract, (2) Buyer's insolvency, (3) a deterioration in Buyer's financial condition after the Contract was entered into and (4) Buyer's failure to provide financial statements and other financial information to Seller promptly upon Seller's request. "**Adequate assurance of due performance**" includes, without limitation, providing a letter of credit or comparable security for all obligations of Buyer that then exist or that will arise in the future under all Outstanding Contracts.

18. Indemnity. Buyer shall indemnify and hold harmless Seller with respect to all damages, losses, claims and expenses, including but not limited to consequential and incidental damages and attorney fees, that Seller incurs as a result of Buyer's breach of any of Buyer's obligations under these Standard Terms of Sale or any claimed unfair competition or patent, trademark or copyright infringement or any other claim resulting from Seller's manufacture of the Products, or performance of the Services, to Buyer's specifications.

19. Seller's Rights. Seller has all rights and remedies given to Seller by applicable law, and Seller's rights and remedies are cumulative and may be exercised from time to time. A waiver by Seller of any right on one occasion will not be a waiver of any future exercise of that right.

20. Applicable Law & Jurisdiction. The interpretation and enforcement of the agreement are governed by the laws of the following: if a PO is issued to a Seller's entity in Europe, the local and domestic laws of the jurisdiction where the Seller's entity receiving the PO is registered shall govern; if a PO is issued to a Seller's entity in the United States of America, the local and domestic laws of the State of Michigan shall govern; if a PO is issued to a Seller's entity outside of Europe or the United States of America, the local and domestic laws of Hong Kong SAR, PRC shall govern. Any litigation on contractual claims arising from a PO may be brought by Seller in any court having jurisdiction over Buyer or, at Seller's option, in any court having jurisdiction over any Seller's location specified in the PO, in which event Buyer consents to jurisdiction and service of process in accordance with applicable procedures. Any claim or proceeding by Buyer against Seller may be brought by Buyer only in the court having jurisdiction over the location of Seller to which the PO is issued. Buyer irrevocably waives and agrees not to raise any objection it might now or hereafter have to any such claim or proceeding in any such court, including any objection that the place where such court is located in an inconvenient forum or that there is any other claim or proceeding in any other place relating in whole or in part to the same subject matter.

21. Time For Bringing Action. Any action that Buyer brings against Seller for breach of the agreement or for any other claim that arises out of or relates to the Products or their design, manufacture, sale or delivery or the performance of the Services must be brought within 1 year after the cause of action accrues.

22. Complete Agreement; Amendment. The terms on the Quotation or acknowledgment and these Standard Terms of Sale form the entire agreement between Buyer and Seller. Any change to this agreement must be signed by parties in writing. This agreement is not assignable or transferable by either party, except to its successor, or to the transferee of all or substantially all the party's assets to which this agreement relates.

SOFTWARE LICENSE ADDENDUM

This Software License Addendum ("**Addendum**") is a part of, and hereby incorporated into the JOHNSON ELECTRIC GROUP STANDARD TERMS OF SALE FOR NON-AUTOMOTIVE PRODUCTS AND SERVICES to which it is attached (the "JE Standard Sales Terms"). Capitalized terms used in this Addendum and not otherwise capitalized shall have the meaning set forth in the JE Standard Sales Terms.

License Grant. Concurrent with the sale of a Product, Seller grants to Buyer a revocable, non-exclusive and non-transferable license under JE's applicable proprietary rights to use the software in object code format that is embedded in, or provided with, any Products for so long as Buyer is using the Products (the "Software"), in accordance with the licensing terms set forth herein. Notwithstanding anything to the contrary, Buyer agrees that the Software is licensed, not sold, to Buyer. Licensing fees for the right to use Software and features therein and for any support thereof are as set forth in the JE quote pertaining to the sale of the Product embedded with the Software.

Restrictions. Buyer shall only use the Software in conjunction with the use, sale and distribution of the Product. Buyer may not, and may not permit any third party to, use the Software for rental, timesharing, subscription service, hosting or outsourcing or to sublicense, lend, rent, lease or make the Software available to any third party. Buyer acknowledges that the Software in source code form remains a confidential trade secret of Seller and/or its licensors, and Buyer may not, and may not permit any third party to, reverse engineer, decipher, decompile, modify or disassemble the Software or the Products or otherwise attempt to derive the source code of the Software (except as authorized by law), extract the Software from the Products, incorporate the Software in whole or in part in any other software or product, or modify the Software, develop derivative works of the Software or allow others to do so, or to attempt to do any of the foregoing, without the express prior written consent of Seller. If Buyer makes any modifications to the Software, including any derivative works, Seller shall own such modifications. Except as expressly provided herein, Buyer will not, and will not permit any third party to, reproduce the Software or remove any copyright, trademark, proprietary rights, disclaimer or warning notices placed on, included in or embedded in any part of the Software. Buyer will not, and will not permit any third party to, disclose the results of any benchmark, functionality or performance tests regarding the Software to any competitors of Seller.

Warranties. Seller represents and warrants that the Software will operate in conformance with Seller's specifications. Seller's sole and exclusive obligation and Buyer's sole and exclusive remedy under the limited warranty provided in this Section shall be to use commercially reasonable efforts to make the Software perform substantially in accordance with the warranties. The above remedy is available only if Buyer promptly notifies Seller in writing after discovery of noncompliance.

Warranty Exclusions. The warranties set forth above are void if failure of the Software is a result of (i) any unauthorized alteration or modifications to the Software, except by Seller; (ii) any modification or upgrade by Buyer of its own products, systems, or software that interface, communicate, or rely on the Software; or (iii) use of the Software in any parts or the combination or interfacing with any products, in each case in a manner not approved by Seller.

Modifications. In the event Buyer modifies its own products, systems, or software that interface, communicate, or rely on the Software, Buyer will notify Seller and the parties will work together subject to mutually agreed upon terms to determine what modifications, if any, are required to the Software.

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