

## TERMS AND CONDITIONS OF PURCHASE

**1. Parties.** STRATTEC SECURITY CORPORATION, or its affiliate, subsidiary, successor or assign identified on its Purchase Order, is referred to as "Buyer." The seller of the products, parts, components, assemblies, materials, goods and/or services described herein ("Goods") is referred to as "Seller."

### **2. Agreement; Exclusive Terms.**

(a) Agreement. These Terms and Conditions of Purchase, including also (i) Buyer's form of purchase order ("Purchase Order"), (ii) the purchase agreement or similar contract signed by Buyer and Seller into which these Terms are incorporated, (iii) Buyer's release orders or schedules, (iv) Buyer's Supplier Quality Manual as in effect from time to time, a current copy of which may be found at

<https://www.strattec.com/suppliers> or will be provided by Buyer at Seller's request, and (v) any other documents specifically incorporated in such Purchase Order, contract or Manual such as specifications, drawings and requirements of Buyer's customer, or quality requirements, are together referred to as the "Contract," and are incorporated into and constitute a part of any order placed by Buyer. The Contract is the final expression of Buyer's and Seller's agreement and is a complete and exhaustive statement of the terms of that agreement. Except as expressly provided herein, the Contract may not be revised without the parties' written agreement. Buyer's acceptance of performance against this Contract, whether or not repeated, does not prejudice Buyer's right to demand strict performance at any time and to recover damages, if any, for the same or other non-compliance. Unless a contrary provision is found on Buyer's Purchase Order, the Purchase Order may be withdrawn by Buyer, without incurring liability and without notice at any time prior to acceptance. Buyer's clerical errors are subject to correction by Buyer. The invalidity of a provision of this Contract shall not affect the validity of the remaining provisions. Seller shall not assign or subcontract this Contract or any of its obligations hereunder without Buyer's prior written consent, which consent may be withheld by Buyer in its sole discretion. Seller shall inform its subcontractors of Seller's obligations under this Contract and Seller shall be responsible for its subcontractors' performance of such obligations. Time is of the essence for the performance of any of Seller's obligations herein. Nothing in this Contract makes either party an agent or representative of the other or grants any right to assume or create any obligation in the other party's name.

(b) Exclusive Terms. This Contract shall control in any contract resulting from or arising out of Buyer's Purchase Order regardless of any terms, conditions or provisions found in Seller's responses or documents, all of such terms, conditions and provisions incorporated therein being deemed waived and rejected insofar as the same differ from or add to this Contract (except Seller's additional warranties) unless such different or additional terms, conditions or provisions shall be specifically accepted by Buyer as a change to this Contract by express reference in a writing signed by Buyer. Buyer's offer to purchase Goods, and any contract therefor, is expressly limited to this Contract. If Buyer's order is deemed an acceptance by Buyer of a prior offer by Seller, such acceptance is limited to the express terms and conditions of this

Contract. Buyer objects to and rejects any different, additional or varying terms proposed by Seller, except additional warranties by Seller, regardless of whether such terms would materially alter this Contract. Seller's proposal of additional or different terms shall not operate as a rejection of Buyer's terms except to the extent such variances are in the description, quantity, price or place or date of delivery of Goods, and Buyer's terms shall be deemed accepted without said additional or different terms. Seller shall be deemed to have made an unqualified acceptance of these terms and conditions on the earliest of the following to occur: (i) Seller's acknowledgment or acceptance of Buyer's Purchase Order, (ii) Seller's commencement of performance against Buyer's Purchase Order, (iii) Seller's failure to object to this Contract within ten business days of receipt, or (iv) any other event constituting acceptance under applicable law. Buyer's rights and remedies in this Contract are cumulative and are in addition to any other rights and remedies provided in law or equity.

### **3. Proprietary Information; Confidentiality.**

(a) Proprietary Information. Buyer retains ownership and all rights to all products, materials, molds, software and methods used to make the Goods and all intellectual property related to the Goods and methods used to make the Goods, including but not limited to patents, patent applications, trade secrets, inventions, processing methods, developments, and any drawings, designs, CAD design data and drawings, mold flows, process parameters, manufacturing equipment types and settings, specifications, copyrights, and documents, to the extent the same were provided to Seller by or for Buyer in connection with this Contract, and all related works of authorship and copyrights, all of which are the property of Buyer or its customer and may be used by Seller only in connection with performing its obligations under this Contract.

(b) Confidentiality. "Confidential Information" means any and all drawings, designs, CAD design data and drawings, mold flows, process parameters, manufacturing equipment types and settings, specifications, data, plans, documents, equipment, products, samples, software prototypes, technical and non-technical information disclosed orally, in writing or electronically by Buyer to Seller, or observed by Seller personnel while visiting Buyer's facilities, including but not limited to information relating to products, specifications, costs, suppliers, trade secrets, processes, equipment, development efforts, design details and engineering drawings, unpublished US and foreign patent applications, internal invention disclosure forms, procurement requirements, purchasing, manufacturing, employees, business and contractual relationships, business forecasts, sales and merchandising, customers, services, prospective products and services, projections, marketing plans, packaging, and this Contract. Confidential Information shall not include any information which, in the form disclosed by Buyer, is (i) information that was publically available prior to the time of the disclosure to Seller, (ii) information which after disclosure to Seller becomes part of the public domain otherwise than through a breach of this Contract by Seller, or (iii) information which was known to Seller prior to receipt from Buyer, provided such prior knowledge can be substantiated by documentary evidence pre-dating the disclosure by Buyer.

(i) Seller will not use, share, disclose or disseminate Confidential Information except as provided for in this Contract. Seller will not make or distribute unauthorized copies of Confidential Information. Seller will maintain the confidentiality of Confidential Information using procedures no less rigorous than those procedures used to protect and preserve the confidentiality of its own proprietary information. In no case shall Seller use less than a reasonable degree of care to protect and preserve Confidential Information.

(ii) Seller will not use Confidential Information for any reason other than as provided in this Contract for the purpose of supplying Goods to Buyer under this Contract. Seller will not attempt to reverse engineer products or processes based on Confidential Information. Seller will not perform or have performed independent analysis of Confidential Information for reasons unrelated to the purpose of supplying Goods to Buyer under this Contract.

(iii) Notwithstanding the foregoing, Seller may disclose Confidential Information to its officers, directors, employees, agents and permitted subcontractors who have a reasonable need to know such information in connection with Seller's performance of supplying Goods to Buyer under this Contract, who are bound to Seller by a requirement that legally requires the recipient to keep the information confidential, and who have been informed of the confidential nature of the information and directed to treat the information as confidential. Seller shall [a] make certain any such recipients of Confidential Information comply with this Contract and [b] assume full responsibility for any breach of this Contract caused by any such recipients of Confidential Information.

(iv) Confidential Information may be disclosed by Seller in response to a valid order by a court or other governmental body, or if it is otherwise required to be disclosed by law, provided that in the event Seller is so required to disclose Confidential Information, it shall promptly provide notice to Buyer of such order or requirement so that Buyer may seek an appropriate protective order or take other action as it deems appropriate. Seller will only disclose the minimum amount of Confidential Information required to satisfy the legal obligation under the order or requirement.

(v) The obligations of confidentiality and non-use of Confidential Information hereunder will survive for five years following expiration or termination of the Contract provided, however, with respect to trade secrets, such obligations will survive for so long as such Confidential Information constitutes a trade secret or for five years, whichever is longer.

(vi) Upon expiration or termination of this Contract, and otherwise on Buyer's request at any time, Seller must within a reasonable time deliver to Buyer all tangible Confidential Information and copies thereof and will use all reasonable efforts to erase all Confidential Information as specifically identified by Buyer from all storage devices owned or controlled by Seller, including, but not limited to, random access memory (RAM) devices, read-only memory (ROM) devices, e-mail, and external storage devices (USB's, Hard Disks, Cloud Storage). Seller agrees to promptly certify to Buyer in writing its fulfillment of these obligations.

(vii) Seller acknowledges and agrees that the unauthorized disclosure or other violation, or threatened violation, of this Contract may cause irreparable damage to Buyer. Seller

further agrees that, in the event of a breach of this Contract, without limiting Buyer's other rights and remedies, Buyer will be entitled to seek an injunction in any applicable jurisdiction prohibiting Seller from any such disclosure, attempted disclosure, violation or threatened violation without the necessity of proving damages or furnishing a bond or other security and in addition Buyer shall be entitled to such other relief to which it may be entitled in law or equity. Seller indemnifies and holds Buyer harmless from and against all Damages (as defined in section 7) resulting from any such actual, attempted or threatened disclosure or violation.

Nothing herein shall prevent Buyer from making disclosures required under applicable securities laws or the laws of any stock exchange or market on which any of Buyer's securities are then traded. Seller acknowledges that as a result of disclosure of Buyer's Confidential Information contemplated under these terms and conditions of purchase, it and its permitted officers, directors, employees or agents may, from time to time, have material, nonpublic information concerning Buyer. Seller confirms that it and its permitted officers, directors, employees or agents are aware that (a) the United States securities laws may prohibit a person who has material, nonpublic information from purchasing or selling securities of any company, including Buyer, to which such information relates and (b) material nonpublic information shall not be communicated to any other person except as permitted herein.

Seller shall not advertise or publish the fact that Buyer has contracted to purchase Goods from Seller, nor shall any information relating to this Contract be disclosed without Buyer's written permission. Unless otherwise agreed in writing, no commercial, financial or technical information disclosed in any manner or at any time by Seller to Buyer shall be deemed secret or confidential and Seller shall have no rights against Buyer with respect thereto except such rights as may exist under patent laws.

**4. Warranty.** Seller expressly represents and warrants to Buyer, its customer and the end user that (a) all Goods furnished under this Contract shall strictly conform to and perform in accordance with all of Buyer's and Buyer's customer's specifications, standards, drawings, samples and requirements (including, without limitation those described in Buyer's Purchase Order), (b) all Goods will be new and transferred to Buyer with full title, free from liens, security interests or encumbrances of any type whatsoever, (c) all Goods will be free from all defects, including defects in design, material or workmanship, (d) all Goods will conform to any statements made on the containers or labels or advertisements for such Goods, and any Goods will be adequately contained, packaged, marked and labeled, (e) in addition to all express and implied warranties under the Wisconsin Commercial Code, all Goods furnished hereunder will be (i) merchantable, (ii) safe and appropriate for the purpose for which Goods of that kind are normally used, (iii) designed and fit for their particular purposes, (iv) provided in a competent, professional manner and in accordance with the highest standards and best practices of Seller's industry, and (v) manufactured, produced, provided, labeled, furnished and delivered by Seller in full and complete compliance with all applicable laws and regulations. Seller acknowledges that it has been informed of Buyer's intended purpose for the Goods. Seller represents and warrants

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to Buyer, its customer and the end user that all Goods supplied will be manufactured in compliance to the approved quality system most recently audited by Buyer and any quality and warranty requirements of Buyer's customer as advised by Buyer from time to time. Buyer's failure to audit shall not relieve Seller of liability for failure to manufacture Goods in compliance with quality systems that were approved by Buyer or that would be reasonable under the circumstances. In addition, Seller represents and warrants to Buyer, its customer and the end user that Seller shall act in a manner consistent with Buyer's Code of Ethics and Business Conduct Policy which is located at: [https://www.strattec.com/application/files/1014/9571/8591/Supplier\\_Code\\_of\\_Conduct\\_Feb\\_2\\_016.pdf](https://www.strattec.com/application/files/1014/9571/8591/Supplier_Code_of_Conduct_Feb_2_016.pdf). Inspection, test, acceptance or use of the Goods furnished hereunder shall not affect Seller's obligation under these warranties, and such warranties shall survive inspection, test, acceptance and use. Seller's warranties shall run to Buyer, its successors, assigns and customers, and users of products and services sold by Buyer. The foregoing warranties are in addition to those available to Buyer, its successors, assigns, customers and users by law, contract or equity. Seller shall maintain records of all inspection work for a Good for 15 years and provide the same to Buyer on request. Seller acknowledges that Buyer's or its customer's specifications, designs and drawings, if any, are sufficient and adequate to manufacture the Goods in compliance with this Contract. Buyer may inspect Goods in process at Seller's or its suppliers' or subcontractors' facilities. Such inspection does not constitute acceptance or release Seller of liability or warranty for Goods. Seller shall promptly, at Buyer's option and Seller's cost, repair, replace or provide a refund with respect to Goods not in compliance with any warranty hereunder, or promptly reimburse Buyer's costs and expenses in procuring replacement Goods acceptable to Buyer in its sole discretion. Seller must obtain Buyer's and Buyer's customer's written approval prior to making any changes to specifications for Goods or production change that could affect performance of the Goods (including, without limitation, change in the manufacturing process, formulation, raw materials or production location). If any warranty hereunder is not satisfied and there have been changes not approved in writing by Buyer and Buyer's customer, Seller shall promptly, at Buyer's option, repair, replace or provide a refund with respect to such Goods, or promptly reimburse Buyer's costs and expenses in procuring replacement Goods acceptable to Buyer in its sole discretion, and pursuant to section 7 hereof Seller shall indemnify Buyer and its affiliates, customers, successors and assigns against any related Damages.

**5. Patents.** Seller agrees to either (at Buyer's continuing option) (a) assume full responsibility for, or (b) reimburse Buyer for all costs related to the 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 provided under this Contract which may be brought against Buyer or its agents, customers, or other vendors and Seller further agrees to indemnify Buyer, 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. Seller

shall not settle any claim without Buyer's prior written approval, which approval may be withheld by Buyer in its sole discretion. Seller represents and warrants to Buyer, its customer and the end user that, to the best of Seller's knowledge, the sale and use of the Goods will not infringe any patent, copyright, trademark or other intellectual property right of any other third party. If Seller learns of a claim or potential claim of infringement, Seller will promptly notify Buyer in writing. If any Goods and/or any part or component thereof is held to constitute infringement and the use of said Goods, part or component is enjoined, in addition to the remedies set forth in this Contract, Seller shall, at its expense and option (as agreed upon by Buyer), either procure for Buyer and its customer and end user the right to continue using the Goods, part or component, replace the infringing element with a non-infringing substitute, or modify the Goods so they become non-infringing, or remove the Goods and refund the purchase price and the transportation cost thereof. For Goods manufactured to Buyer's or its customer's specifications, drawings or designs, Seller hereby assigns to Buyer without reservation all patent rights, copyrights and trademark rights relating to the Goods and all related documents, models, computer drives, specifications and other materials, none of which may be used, disclosed or reproduced by Seller except to perform the Contract.

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

**7. Indemnity.** Seller shall protect, defend, indemnify and hold Buyer and its employees, agents, successors, assigns and customers and users of the Goods provided hereunder harmless from and against all damages, liabilities, fines, economic and other losses, penalties (civil, administrative or other), consent judgments, costs and expenses (including without limitation recall,

reformulation, relabeling, repair and replacement expenses and other incidental and consequential damages, charges and fees imposed by Buyer's customer, and attorneys' fees) (collectively, "Damages") arising out of or resulting from (a) the actual or alleged failure of Goods to conform to any of the Seller's representations or warranties, guarantees, or certifications including, without limitation, those in sections 4 and 12 hereof; (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 the use of the Goods or a defect in the Goods supplied; (c) failure to make deliveries or otherwise perform its obligations as required hereunder; (d) any work done, or omitted to be done by Seller, its employees, agents or subcontractors, (e) any unauthorized change to specifications or production of Goods as described in section 4, or (f) any recalls of Goods or field service actions to the extent relating to defective Goods or Seller's breach of this Contract.

**8. Product Investigation.** Seller will immediately notify Buyer 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 Buyer or by any governmental agency, Seller at its expense will modify, repair or replace as required by the applicable governmental agency and correct all defective parts supplied by or for Seller which are alleged, in whole or in part, to require remedial action, and indemnify Buyer and its customer and end user against all Damages relating thereto.

**9. Trade Designation.** Buyer warrants that any trade designation Buyer requests Seller to affix to any Goods is owned or authorized for use by Buyer or Buyer's customer. Nothing described herein shall be deemed to grant Seller the right to use such trade designations and Seller hereby agrees not to use such designations, except as to the Goods in fulfillment of Buyer's order.

**10. Force Majeure.** Acts of God such as fire, flood and earthquake shall excuse a delay in a party's performance traceable to such cause, but shall give the other party the option to terminate this Contract on notice. The party experiencing an event of force majeure shall promptly notify the other party in writing about the event and all pertinent details. During such delay, Buyer may purchase Goods from other sources and without incurring liability reduce its releases to Seller by such quantities, and/or require Seller to provide the Goods from other sources at the prices in this Contract. In the event of a shortage of Goods, Seller shall allocate available Goods first to Buyer.

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

**12. Compliance With Laws.** Seller represents and warrants to Buyer, its customer and the end user that all Goods will have been produced or performed in compliance with (and Seller agrees to be bound by) all applicable federal, foreign, state and local laws, orders, rules and regulations including, without limitation, those relating to product safety, environmental protection, sustainable development, ethical and reasonable standards of behavior, human rights (including, without limitation, child labor, human trafficking and slavery), bribery and corruption. Without limiting the foregoing, Seller and the Goods shall comply with the U.S. Foreign Corrupt Practices Act and all other antibribery rules which may apply to its performance hereunder. Seller represents and warrants that the Goods are not considered hazardous under any applicable law. Seller shall ensure that its suppliers and subcontractors comply with this section 12 and shall provide documentation of such compliance on request. Seller is required to submit Material Safety Data Sheets ("MSDS") with all first time shipments to Buyer. **WITHOUT LIMITING THE FOREGOING, SELLER REPRESENTS, WARRANTS, GUARANTEES AND CERTIFIES TO BUYER, ITS CUSTOMERS AND USERS OF BUYER'S PRODUCTS AND THE GOODS AND SERVICES PROVIDED HEREUNDER THAT (a) ALL GOODS SUPPLIED AND SERVICES PERFORMED HEREUNDER ARE PRODUCED AND PERFORMED IN COMPLIANCE WITH CALIFORNIA HEALTH & SAFETY CODE SECTION 25249.6 ET SEQ (PROPOSITION 65) AND ALL RELATED REGULATIONS ("PROP 65"); (b) SELLER HAS TESTED SUCH GOODS FOR PRODUCTS, CHEMICALS OR SUBSTANCES ON THE PROP 65 LIST OF PROHIBITED PRODUCTS, CHEMICALS OR SUBSTANCES AND NONE ARE PRESENT IN SUCH GOODS; AND (c) THE GOODS PROVIDED HEREUNDER DO NOT CONTAIN ANY CHEMICALS KNOWN TO THE STATE OF CALIFORNIA TO CAUSE CANCER, BIRTH DEFECTS OR OTHER REPRODUCTIVE HARM.**

**13. Orders and Termination of Orders; Delivery and Acceptance.**

(a) Orders and Termination of Orders. Buyer is under no obligation to purchase Goods or submit Purchase Orders. Unless Buyer's Purchase Order specifies the quantity of Goods, this Contract is a requirements contract under which Seller must, at Buyer's option, supply Buyer's requirements. Buyer may revise specifications for Goods by notice to Seller. If such change would affect Seller'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 Seller within 30 business days of Buyer's notice of revision or shall be deemed waived. Buyer may revise, suspend or terminate accepted Purchase Orders, with or without cause, effective on written notice to Seller. Cause shall include, without limitation, Seller's breach of this Contract and failure to cure such breach within five business days of notice; Seller's failure to make progress such that timely performance of an order is, in Buyer's judgment, endangered; or Seller's insolvency or bankruptcy. No notice of breach is required for failure to deliver Goods on time. Seller's sole claim, and Buyer's sole liability, shall be for documented costs reasonably incurred in performance of the order prior to revision, suspension or termination that are properly allocable to the

revised, terminated or suspended portion, but Seller shall be entitled to such costs only if Buyer revises, suspends or terminates the order for convenience, and only if Seller provides evidence of such costs within 30 business days of such revision, suspension or termination. In no event, however, will payments made under this section exceed the aggregate price payable by Buyer for finished Goods which would be produced by Seller under releases outstanding at the date of such revision, suspension or termination. Except to the extent provided in this section, Buyer is not liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development or engineering costs, facilities or equipment rearrangement costs or rental, unamortized depreciation costs or general and administrative burden charges from revision, suspension or termination of the order. Within 30 business days from the effective date of revision, suspension or termination, Seller must submit to Buyer a comprehensive claim, with sufficient supporting data to permit Buyer's audit, and shall thereafter promptly furnish such supplemental and supporting information as Buyer shall request. Buyer or its agents will have the right to audit and examine all books, records, facilities, work materials, inventories and other items relating to Seller's claim. Seller's obligations under the warranty, intellectual property, indemnity, confidentiality and proprietary rights sections of this Contract survive any expiration or termination. Nothing in this section, including any disagreement between Seller and Buyer as to payable costs, will excuse Seller from proceeding with a changed order. If an order is terminated in whole or in part for cause, Buyer may require Seller to transfer the title and deliver to Buyer, as directed by Buyer, any (i) completed supplies, and (ii) partially completed supplies and materials, parts, tools, dies, jigs, fixtures, CAD design data and drawings, mold flows, process parameters, manufacturing equipment types and settings, plans and drawings, information and contract rights that Seller has specifically produced or acquired for the terminated portion of the order. Upon Buyer's direction, Seller will also protect and preserve property in its possession in which Buyer has an interest. Buyer's revision, termination or suspension of an order shall not preclude Buyer from availing itself of other remedies in the event of Seller's breach or nonperformance. Seller shall cooperate with Buyer, at Seller's sole cost, in diagnosing and remedying the issue or root cause of any problem with Goods leading to such revision, termination or suspension.

(b) Delivery. Time of delivery is of the essence. Without limiting the foregoing, and without limiting Buyer's other rights or remedies, Seller shall reimburse Buyer for any liquidated damages or other late fees, costs or penalties imposed by Buyer's customers. Seller shall deliver the Goods in accordance with the delivery term specified by Buyer in its Purchase Order. For shipments originating outside the United States, such delivery term shall be defined in accordance with INCOTERMS 2010, as amended or updated from time to time. Depending on the designated delivery term, Buyer reserves the right to all trade credits, duty refunds and similar amounts. Shipment must actually be effected within the time stated on Buyer's Purchase Order and in the required quantity,

failing which, without limiting Buyer's other rights and remedies, Buyer reserves the right to purchase elsewhere and charge Seller with Damages (as defined in section 7) incurred thereon. Seller shall comply with any shipping instructions provided by Buyer and shall properly and carefully package the Goods for shipment. Partial deliveries are not allowed without Buyer's written agreement. No charge will be allowed for packing, boxing or crating unless agreed upon in writing at the time of purchase, but damage to any Goods not packed to insure proper protection to same will be charged to Seller. All Goods shipped shall be properly identified with Buyer's Purchase Order Number and any Purchase Order item number or other identification number required by Buyer. Seller shall timely provide to Buyer and accept full responsibility for the completeness and accuracy of all transport and customs documentation, including without limitation certificates of origin ("Shipping Documents"). Seller accepts any liabilities resulting from incomplete or inaccurate data on Shipping Documents or failure to comply with any import or export requirements.

(c) **Acceptance.** Payment for the Goods shall not constitute acceptance thereof and Buyer shall have the right to inspect such Goods and to reject any or all of said Goods which are in Buyer's judgment defective or nonconforming. Goods rejected and Goods supplied in excess of quantities called for herein may be returned to Seller at Seller's expense and, in addition to Buyer's other rights and remedies, Buyer may charge Seller all expenses of unpacking, examining, repacking and reshipping such Goods. Nothing contained in this Contract shall relieve Seller from the obligation of testing, inspection and quality control. Buyer shall have a reasonable opportunity to inspect the Goods after the same have been delivered at Buyer's premises. Buyer shall not be deemed to have accepted any such Goods until the expiration of such reasonable time for inspection. The parties acknowledge and understand that Buyer may inspect any commercial lot of the Goods consisting of numerous units of the same product by inspecting only a reasonable sampling of such units and that Buyer may revoke acceptance of any other units of such commercial lot which Buyer at a later time discovers to be defective. Upon rejection or revocation of acceptance of any Goods, Seller shall offer credit with respect to or replace or correct, at Buyer's option, any unsatisfactory units at Seller's expense, including all shipping costs. Buyer's failure to inspect or reject Goods or payment for Goods shall not relieve Seller of any of its obligations hereunder or constitute a waiver of any of Buyer's rights hereunder.

**14. Purchase Price and Terms of Payment.**

Seller shall charge Buyer the purchase price for Goods set forth on Buyer's Purchase Order or otherwise agreed in writing by Buyer. Such prices are fixed for the Purchase Order and any extension, modification or renewal thereof and constitute the total price for manufacture and delivery of the Goods. Buyer shall not be liable for any additional cost for tooling, molds, equipment, services or materials used in the production of the Goods unless set forth on Buyer's Purchase Order or otherwise agreed in writing by Buyer. Seller represents and warrants to Buyer and its customer and the end user that the price charged for the Goods is the lowest price charged by Seller to buyers of a class or buying volumes similar to Buyer under conditions similar to those specified in this Contract and that such prices shall comply

with applicable laws and this Contract at the time of quotation, sale and delivery. Seller agrees that any price reduction made in Goods subsequent to the placement of Buyer's order will apply to Buyer's order. Seller shall use reasonable efforts to identify and share with Buyer cost reductions in the production and provision of Goods. Without limiting the foregoing, Seller shall identify and share cost reductions as required by Buyer's customers, as advised by Buyer from time to time. Notwithstanding the foregoing, Seller shall be obligated to obtain written approval from Buyer and its customer before implementing any changes. Seller agrees that it will take no adverse action against Buyer for any invoices not paid resulting from Seller's failure to accurately invoice Buyer or obtain or clearly reference purchase order numbers on the applicable invoices. Buyer shall not be liable for any taxes, duties or other charges relating to the Goods unless expressly provided in Buyer's Purchase Order and then only if Seller provides Buyer with documentation satisfactory to Buyer that establishes Buyer's statutory liability to pay such amounts. Unless otherwise agreed by Buyer in its Purchase Order, payment terms shall be in accordance with the terms specified by Buyer in its Purchase Order. Buyer reserves the right to set off any amounts due or claimed due from Buyer against amounts paid hereunder. Prices are payable in U.S. dollars unless otherwise indicated by Buyer on its Purchase Order. Appropriate adjustments will be made for any currency exchange rate impact on the economics of the transaction. Final payment and any retention is not due until Seller delivers to Buyer, upon Buyer's request, waivers of liens from Seller and all subcontractors providing for a complete release of all possible liens arising out of the Purchase Order, or receipts in full in lieu thereof; and in either case, a notarized affidavit stating that said releases and receipts cover all materials and labor incorporated in the work for which a lien might be filed. Seller may, if any subcontractor refuses to furnish a release or receipt in full, furnish a bond satisfactory to Buyer, to indemnify against any claim by a lien or otherwise. If any lien or claim remains unsatisfied after all payments are made, Seller shall refund to Buyer all monies that Buyer may be compelled to pay to discharge such lien or claim, including all costs and attorneys' fees.

**15. Tooling.** All special dies, molds, patterns, jigs, equipment, fixtures, CAD design data and drawings, mold flows, process parameters, manufacturing equipment types and settings, and other property furnished by Buyer, or paid for by Buyer ("Tooling"), shall be, and remain, the property of Buyer, shall be visibly labeled as Buyer's property, shall be subject to removal by Buyer, shall be used only in filling orders from Buyer and shall be held at Seller's risk. Seller shall assist Buyer in achieving for Buyer a perfected security interest in such Tooling. Seller shall not claim any interest in such Tooling or allow any liens or security interest with respect thereto, other than Buyer's interest. Any failure by Seller to return the Tooling of Buyer after a reasonable request to do so shall result in irreparable injury to Buyer, its business and property and Buyer shall be entitled to injunctive relief ordering the return of its Tooling. Seller's acceptance of the above provisions regarding return of Tooling is a material factor in Buyer's decision to do business with Seller. If Buyer is required to seek legal action in order to enforce the provisions of this section, Seller shall be liable for actual attorneys' fees and other expenses

incurred by Buyer in enforcing this provision regarding the return of Tooling. Seller shall notify Buyer if Seller plans or intends to destroy, sell or dispose of any Tooling needed to build or produce Goods or service parts. During the term of this Contract, and with respect to service and replacement parts for so long as Seller is obligated to supply them hereunder, Seller shall not dispose of such Tooling unless approved by Buyer in writing. If Seller decides, without Buyer's written approval, to dispose of such Tooling within such timeframes, and there is a customer demand that cannot be fulfilled due to the lack of such Tooling, Seller shall promptly build or procure the necessary Tooling at its cost and complete the required validations and documentation to continue to supply the affected Goods or parts. Following the term of this Contract, Buyer reserves the right of first refusal to purchase Seller tooling, special dies, molds, patterns, jigs, equipment, fixtures, CAD design data and drawings, mold flows, process parameters, manufacturing equipment types and settings, and other property used to produce the Goods if it is used primarily to manufacture these Goods. Without the limiting the foregoing, Seller shall provide Buyer on demand with all data relating to approved components.

**16. Insurance.** In accepting Buyer's order, Seller agrees to maintain at its own expense during the term of the Contract and for so long as Seller provides service and/or replacement parts for the Goods, and for a period of six years thereafter, a policy or policies of general liability insurance, product liability insurance, automobile insurance, worker's compensation insurance and, if appropriate, product recall insurance, with respect to all Goods and Seller's performance of this Contract. Such product liability insurance shall include "vendor coverage." The policies required hereunder shall name STRATTEC Security Corporation and its affiliates, officers, directors, employees and agents ("Buyer Parties") as an additional insured and shall be written with such companies and contain such provisions as shall be satisfactory to Buyer. Such policy or policies shall contain coverages as required by law in Seller's jurisdiction and as may be requested by Buyer or its customer from time to time, and in any event adequate for this Contract and the circumstances. Seller agrees to provide Buyer with ten business days' prior written notice of cancellation or material change in such insurance. The insurance policies required hereunder shall be endorsed to provide a waiver of subrogation in favor of Buyer Parties, and shall be primary over any other insurance available to Buyer or any self-insurance program of Buyer. Prior to delivery of any Goods, Seller will provide to Buyer certificate(s) of insurance evidencing that Seller maintains insurance in accordance with the foregoing requirements. Buyer shall have no obligation to examine such certificate(s) or to advise Seller in the event the insurance is not in compliance with Buyer's requirements. Seller's receipt, lack of receipt, and/or acceptance of certificate(s) not in compliance with Buyer's requirements shall not be construed as a waiver of such insurance requirements, which constitute a material condition to this Contract. Further, the insurance coverage and amounts to be maintained are not intended to and shall not in any manner limit or qualify the liabilities and obligations of Seller.

**17. Certification.** To the extent applicable: **Seller and/or any of its subcontractors shall:**

(a) abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a), 60-741.5(a) and 29 CFR Part 471, Appendix A to Subpart A. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability; and

(b) (i) report at least annually, as required by the Secretary of Labor, on: [a] the total number of employees in the workforce of such contractor, by job category and hiring location, and the total number of such employees, by job category and hiring location, who are protected veterans; [b] the total number of new employees hired by the contractor during the period covered by the report, and of such employees, the number who are protected veterans; and [c] the maximum number and minimum number of employees of such contractor at each hiring location during the period covered by the report. The term "protected veteran" refers to a veteran who may be classified as a "disabled veteran," recently separated veteran, "active duty wartime or campaign badge veteran," or an "Armed Forces service medal veteran," as defined in 41 CFR § 61-300.2. (ii) The above items must be reported by completing the report entitled "Federal Contractor Veterans' Employment Report VETS-4212." (iii) VETS-4212 Reports must be filed no later than September 30 of each year following a calendar year in which a contractor or subcontractor held a covered contract or subcontract. (iv) The employment activity report required by (i)[b] and (i)[c] of this clause must reflect total new hires and maximum and minimum number of employees during the 12-month period preceding the ending date that the contractor selects for the current employment report required by (i)[a] of this clause. Contractors may select an ending date: [i] as of the end of any pay period during the period July 1 through August 31 of the year the report is due; or [ii] as of December 31, if the contractor has previous written approval from the Equal Employment Opportunity Commission to do so for purposes of submitting the Employer Information Report EEO-1, Standard Form 100 (EEO-1 Report). (v) The number of veterans reported according to (i) above must be based on data known to contractors and subcontractors when completing their VETS-4212 Reports. Contractors' and subcontractors' knowledge of veterans status may be obtained in a variety of ways, including, in response to an invitation to applicants to self-identify in accordance with 41 CFR 60-300.42, voluntary self-disclosures by employees who are protected veterans, or actual knowledge of an employee's veteran status by a contractor or subcontractor. Nothing in this (v) relieves a contractor from liability for discrimination under 38 U.S.C. 4212.

**18. Applicable Law; Arbitration of Disputes.** Each Purchase Order and any contract arising herefrom in connection with Goods, and any dispute thereunder, shall be governed by the internal laws of the State of Wisconsin, 36350197v11

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 Contract shall be determined by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (or, if Seller 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 18 shall survive if this Contract expires or terminates for any reason. Pending final decision of any dispute hereunder, whether or not Buyer invokes the foregoing dispute resolution process, Seller shall proceed with performance of the order. If the dispute arises out a difference in interpretation between the parties of the performance requirements of the order, then Seller must continue performance in accordance with the interpretation of performance as determined by Buyer.

**19. Service and Replacement Parts.** Except as otherwise expressly agreed in writing, for 15 years after a vehicle design or specific part concludes production, Seller shall supply Buyer's written service and replacement parts orders for the same Goods, at the prices set forth herein plus any actual cost differential for special packaging. If the Goods are systems or modules, Seller shall sell each component or part at a price that does not, in the aggregate, exceed the system or module price specified herein, less assembly cost plus any actual cost differential for packaging. Seller's obligation with respect to service or replacement parts shall survive the expiration or termination of this Contract for any reason. At Buyer's request, Seller shall make service literature and other materials available at no additional charge to support Buyer's service parts sale activities.

**20. Conflict Minerals Compliance.** Seller represents and warrants that it will use due diligence to comply with applicable Conflict Minerals Law (as defined below) in connection with the Goods and materials it supplies or will supply to Buyer or Buyer's affiliates hereunder or pursuant to a Purchase Order issued by Buyer or its affiliate. Seller further represents and warrants that no such products or Goods and materials supplied to Buyer or Buyer's affiliates will contain any Conflict Minerals (within the meaning of the Conflict Minerals Law) sourced from the Democratic Republic of the Congo or an adjoining country within the meaning of the Conflict Minerals Law. For the purposes of making such representation and warranty, Seller will use due diligence protocols, standards, and procedures that meet or exceed the reasonable country of origin inquiry described in the Conflict Minerals Law and the relevant best practices developed by industry and will put in place reasonable procedures to ensure its suppliers of such Goods and materials will comply with Seller's representations and warranties in this section. In addition, Seller agrees to provide Buyer and its affiliates with such assistance and cooperation, as is reasonably necessary, in order for Buyer and its affiliates to fully comply with the Conflict Minerals Law. For purposes of this section, "**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.