



Unless otherwise expressly agreed in writing, all sales are subject to the following Terms and Conditions:

- 1. GENERAL:** Magnum Systems ("Buyer") hereby agrees to buy from the seller named on the face hereof, or on the corresponding purchase order ("Seller") the products listed on the face hereof or on the corresponding purchase order (the "Products") on the express condition that Seller agrees to accept and be bound by the terms and conditions set forth herein ("Agreement"). Any provisions contained in any form issued by Seller shall not operate to vary any of the terms and conditions set forth herein unless expressly agreed to by Buyer in writing. Buyer's failure to object to terms contained in any communication from Seller will not be a waiver of the terms set forth herein, and such terms included in the communication from Seller shall not bind Buyer and shall not become a part of this Agreement or any purchase order between Buyer and Seller unless expressly agreed to in writing and signed by an authorized representative of Buyer. All orders are subject to acceptance in writing by an authorized representative of Buyer.
- 2. PRICE:** All prices for the Products will be as specified by Seller in its published price list or, if Seller previously provided a quotation to Buyer for such Products, as provided for in such quotation (which such quotation will be referenced on the purchase order), or, if no price has been specified or quoted, will be the lowest price that Seller has charged for such Products within the twelve (12) months prior to receipt of the purchase order.
- 3. TAXES AND OTHER CHARGES:** Price quotes for the Products shall be inclusive of all excise, sales, use, transfer and other taxes and duties imposed by any federal, state, municipal or other governmental authority with respect to the sale, purchase, manufacture, delivery, storage, processing, use, consumption or transportation of any Products covered hereby. Price quotations shall be based on the quoted terms of shipment, and shall include any charges for transportation, freight, storage, special handling, demurrage, insurance, or any other similar charges, costs, or fees.
- 4. TERMS OF PAYMENT:** Payment in full shall be made by Buyer within the time frame set forth in the purchase order, or if no payment date is set forth in the purchase order, then within ninety (90) days from the date of delivery of the Products. Buyer shall have the right to set-off any amount owing from Seller to Buyer against any amount payable from Buyer to Seller. All payments shall be made in U.S. Dollars.
- 5. DELIVERY/PACKAGING/INVOICING:** The Products will be shipped F.O.B. to the destination specified by Buyer in the purchase order, or, if none specified, then shipment shall be F.O.B. Buyer's facility according to Incoterms 2010. The Products will be insured in transit at the expense of Seller. Time is of the essence for the shipping and delivery of all Products, and Seller shall be liable for any loss or damage incurred by Buyer resulting from any delay in delivery or failure to deliver. Seller agrees to indemnify, defend, and hold harmless Buyer and its respective officers, directors, employees, agents, subcontractors, successors and assigns from and against any and all claims, actions, suits, demands, damages, liabilities, obligations, and other losses, including reasonable attorneys' fees and court costs arising therefrom or related thereto, claimed from or against Buyer and related to delays in shipment or the failure to ship Products by the date specified on the purchase order. Seller will preserve, pack, package and handle the Products so as to protect them from loss or damage and in accordance with best commercial practices, in the absence of any specifications Buyer may provide.
- 6. TITLE AND RISK OF LOSS:** Subject to the provisions of Section 7 below, title to and risk of loss of the Products will pass to Buyer upon delivery of the Products to Buyer. Any claims for damage to, or loss or miss-delivery of, the Products will be filed directly with the carrier by Seller.
- 7. SECURITY INTEREST:** Seller reserves and Buyer grants to Seller a security interest in all Products sold and all proceeds thereof to secure the full payment and performance by Buyer of its obligations and liabilities to Seller. Buyer acknowledges and agrees that this document or copies of this document may be filed with the appropriate authorities as a financing statement and agrees to execute and deliver such other documents as Seller may request in order to evidence or perfect such security interest.
- 8. CANCELLATION:** Buyer shall have the right to cancel any purchase order at any time subject to this Section 8. If a purchase order is cancelled within five (5) business days from the date on which Buyer sent such purchase order, there shall be no cancellation charges associated with such cancellation. If a purchase order is cancelled after the 5th business day from the date on which Buyer sent such purchase order, Buyer agrees to pay a cancellation charge consistent with Seller's quoted cancellation schedule, but only if Seller has communicated such cancellation schedule to Buyer in writing prior to the date of such cancellation. Such cancellation fee shall in no case include consequential costs or expenses of Seller, including but not limited to lost profit or overhead, and in no instance will such cancellation fee exceed the price of Products quoted in the cancelled purchase order.
- 9. INSPECTION/REJECTION:** All Products delivered under any purchase order shall conform to the plans and specifications included in such purchase order. All deliveries by Seller shall be subject to inspection by Buyer or its designated agent at the place of delivery and Buyer or its designated agent shall have the right to reject such delivery in the instance that any Products contained in such delivery do not conform to the purchase order with such determination to be made in the sole discretion of Buyer or its designated agent. Seller shall be responsible for taking possession of such rejected Products. Buyer shall incur no charges, fees, or penalties associated with any deliveries that are rejected for nonconformance and Seller shall be solely responsible for all such charges, fees, or penalties, including but not limited to costs for storage and return shipping of the rejected Products. Seller agrees to indemnify, defend, and hold harmless Buyer and its respective officers, directors, employees, agents, subcontractors, successors and assigns from and against any and all claims, actions, suits, demands, damages, liabilities, obligations, and other losses, including reasonable attorneys' fees and court costs arising therefrom or related thereto, claimed from or against Buyer and related to Products or deliveries that are rejected for nonconformance with the purchase order including, but not limited to losses associated with Buyer's inability to timely deliver such Products to its customers due to such rejection for nonconformance.
- 10. CHANGES:** Buyer reserves the right at any time to make changes in drawings, specifications and delivery dates as to Products covered by a purchase order. Any difference in price or time for performance resulting from such change shall be equitably adjusted by Seller within three business days of the receipt of notice of such change and the purchase order schedule shall be modified in writing accordingly. If Seller does not provide notice of such equitable adjustment within such three business day period, then the price and time for delivery shall be as set forth in the original purchase order.

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11. **PRODUCT SAFETY:** Products manufactured by or supplied by Seller shall be designed and manufactured in accordance with accepted national electrical and safety codes, including but not limited to the requirements of OSHA and any other applicable governmental authority, to meet general safety standards.
12. **WARRANTY:** Seller warrants that the Products shall be free from defects in design, material, and workmanship, and will meet Seller's published specifications at the time of shipment for a period of twenty four (24) months from the date of shipment to Buyer (the "Warranty Period"). Seller agrees during the Warranty Period, to repair or replace, at Buyer's option and at Seller's expense, any Products determined by Buyer to be defective. All replaced parts shall become the property of Seller, and the warranty provided for herein shall apply to such replacement parts for twenty four (24) months from the date of shipment to Buyer. Shipment to Buyer of repaired or replacement Products shall be made in accordance with Section 5 above. The warranty set forth herein shall be in addition to any other warranties at law or in equity whether express or implied.
13. **INDEMNIFICATION:** Seller shall indemnify, defend with competent and experienced counsel and hold harmless Buyer, its parent, subsidiaries, affiliates and divisions, and their respective officers, directors, shareholders and employees, from and against any and all damages, liabilities, actions, causes of action, suits, claims, demands, losses, costs and expenses (including without limitation reasonable attorneys' fees and disbursements and court costs) of any kind arising from (i) any claim that the Products or any part thereof, infringe upon the intellectual property rights of any third party, (ii) the negligence or willful misconduct of Seller or its agents, employees, representatives, or contractors, and (iii) any acts or omissions of Seller in its performance under this Agreement or any purchase order.
14. **LIMITATION OF LIABILITY:** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, SELLER AGREES THAT IN NO EVENT SHALL BUYER BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES (INCLUDING WITHOUT LIMITATION DAMAGES FOR LOSS OF USE OF FACILITIES OR EQUIPMENT, LOSS OF REVENUE, LOSS OF PROFITS OR LOSS OF GOODWILL), REGARDLESS OF WHETHER BUYER (a) HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES OR (b) IS NEGLIGENT.
15. **CONFIDENTIALITY.** In the course of the relationship between the parties, each party may acquire valuable trade secrets, proprietary data, and other confidential information of the other party including without limitation drawings, specifications, data, goods, technical information, information on processes, customer lists, customer identities, and other tangible and intangible property (collectively, the "Confidential Information"). Each party agrees that throughout the course of its relationship with the other party, and for a period of five (5) years after the most recent order placed by and delivered to Buyer, each party will not, without the expressed written consent of the other party, directly or indirectly communicate or divulge to, or use for its own benefit or the benefit of any other person or entity, any of the other party's Confidential Information which was communicated to or otherwise learned of or acquired by such party during the course of its relationship with the other party. Notwithstanding the foregoing, either party may disclose or use Confidential Information under any of the following circumstances: (i) disclosure or use thereof in good faith and in connection with the performance of its duties in the course of its relationship with the other party to the extent required, (ii) disclosure or use of any such information or data which is generally known within the industry or is otherwise available through independent resources, and (iii) disclosure or use thereof pursuant to any regulatory, compliance, or legal requirement in which case such party agrees to provide notice of such requirement prior to such disclosure or use in order to give the other party, in its discretion, the ability to challenge any such disclosure or use with the applicable governmental authority or to otherwise obtain a protective order as to such disclosure or use. Each party agrees to immediately notify the other party of any disclosure of Confidential Information that is not permitted under this Agreement and of any other misuse of Confidential Information in violation of this Agreement.
16. **INSURANCE:** Seller shall maintain at all times a comprehensive general liability insurance policy in a minimum amount of \$1,000,000.00 combined single limit per occurrence with coverage for bodily injury/property damage, including products liability and coverage for contractual liability insuring liabilities assumed in all purchase orders placed by Buyer.
17. **EXPORT/IMPORT:** Seller agrees that all applicable import and export control laws, regulations, orders and requirements, including without limitation those of the jurisdiction in which Buyer and Seller are established or from which Products may be supplied, will apply to the receipt and use of such Products. In no event shall Seller use, transfer, release, import, or export Products in violation of such applicable laws, regulations, orders or requirements. In connection with the transactions contemplated by the Agreement, Seller is familiar with and shall fully comply with all applicable laws, regulations, rules and other requirements of Buyer's jurisdiction and of any applicable state, foreign and local governmental body in connection with the sale, shipment, use, transfer and disposal of the Products. If Seller imports or exports Products in violation of any applicable law, regulation or rule, Seller shall be solely responsible for any fines or penalties imposed by competent authorities and shall indemnify and hold Buyer harmless for any fines, penalties, and costs (including legal fees) incurred by Buyer in connection with Seller's violation. Seller warrants that all sales made hereunder are or will be made at not less than fair value under the United States Anti-Dumping Law (19U.S.C. § 160 et. Seq.). Buyer is not and will not be a party to the importation of Products or materials and all transactions between the parties will be consummated subsequent to importation of any Products or materials. Seller will neither cause nor permit Buyer's name to be shown as "Importer of Record" on any customs declaration.
18. **HARMFUL/HAZARDOUS MATERIALS:** Seller agrees to inform Buyer of any toxic or harmful materials used in the manufacture of Products purchased by Buyer under any purchase order, and indemnify Buyer from any liability arising out of any reasonable use of such Products. Seller shall provide material safety data sheets as required by law.
19. **TOOLS AND MATERIALS:** Seller shall retain title to any designs, sketches, drawings, blueprints, patterns, dies, models, molds, tools, special appliances and materials ("Articles") furnished or paid for by Buyer in connection with any purchase order. Articles shall be marked as property of Buyer, shall be properly insured (with loss payable to Buyer) and shall be replaced if lost or destroyed, all at Seller's cost.
20. **MISCELLANEOUS:** Seller may not delegate any duties nor assign any rights or claims hereunder without Buyer's prior written consent, and any such attempted delegation or assignment shall be void. The rights and obligations of the parties hereunder shall be governed by and construed as a sealed instrument in accordance with the laws of the State of Kansas without reference to its choice of law provisions. Each party hereby irrevocably consents to the exclusive jurisdiction of the state and federal courts located in Wyandotte County, Kansas in any action arising out of or relating to this Agreement, and each waives any other venue to which it may be entitled by domicile or otherwise. In the event that any one or more provisions contained herein shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The remedies contained herein are cumulative and in addition to any other remedies at law or in equity. Buyer's failure to enforce, or Buyer's waiver of a breach of, any provision contained herein shall not constitute a waiver of any other breach or of such provision. Any notice or communication required or permitted hereunder shall be in

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writing and shall be deemed received when personally delivered or three (3) business days after being sent by certified mail, postage prepaid, to a party at the address specified herein or at such other address as either party may from time to time designate to the other. This is the complete and exclusive statement of the agreement between Seller and Buyer with respect to Buyer's purchase of the Products. No waiver, consent, modification, amendment or change of the terms contained herein shall be binding unless in writing and signed by Seller and Buyer.

21. **WAIVER OF JURY TRIAL.** IN THE EVENT OF A LEGAL PROCEEDING BETWEEN SELLER AND BUYER RELATING TO THIS AGREEMENT, NEITHER PARTY MAY CLAIM THE RIGHT TO A TRIAL BY JURY, AND BOTH PARTIES HEREBY WAIVE ANY RIGHT THAT EITHER PARTY MAY HAVE UNDER APPLICABLE LAW OR OTHERWISE TO A RIGHT TO A TRIAL BY JURY. BOTH BUYER AND SELLER HEREBY ACKNOWLEDGE THAT THIS WAIVER OF JURY TRIAL IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH PARTY HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY WARRANTS AND REPRESENTS THAT SUCH PARTY HAS HAD THE OPPORTUNITY TO REVIEW THIS JURY WAIVER WITH LEGAL COUNSEL, AND EACH OF BUYER AND SELLER KNOWINGLY AND VOLUNTARILY HEREBY WAIVE ITS JURY TRIAL RIGHTS.

22. **ORDER OF PRECEDENCE.** In case of a conflict between these terms and conditions and the terms and conditions found in any other document, these terms and conditions shall control unless superseding terms are specifically agreed to in a separate writing signed by authorized representatives of both parties. In the case of a conflict between these terms and conditions and the terms and conditions found on the corresponding purchase order, the purchase order terms and conditions shall control.

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