

CONDITIONS OF PURCHASE

MATERIAL SCHEDULE

Along with this purchase order ("Purchase Order") Kimball will provide to Seller oral or written instructions regarding quantities and delivery dates ("Material Schedule"). This Purchase Order and Material Schedule are hereafter collectively referred to as the "Order". Seller shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet Kimball's election. Kimball's acceptance of any products produced or shipped in excess of the terms of this Order shall not constitute a waiver, change, alteration or amendment of any of the terms of this Order.

AGREEMENT

Seller agrees to and accepts each of the terms in this Order or explicitly incorporated herein by reference. The Order may be accepted only on terms which precisely match the terms of the Order; all other terms proposed by Seller in addition to or different from the Order are expressly rejected by Kimball. This Order, together with material explicitly incorporated herein by reference, sets forth the entire and only agreement between the parties regarding the subject matter hereof and supersedes any and all prior or contemporaneous agreements, understandings, or proposals whether written or oral, between the parties. No terms and conditions other than those included on this Order shall be binding on Kimball unless accepted in writing by Kimball. It is agreed that no prior course of dealing or course of performance between the parties or usage of trade not expressly set forth in this Order shall be admissible to explain, modify or contradict this Agreement in any way or manner.

TRANSPORTATION

Transportation charges are "F.O.B. Destination-Freight Collect" for U.S. shipments and "DDP Destination" (Incoterms 2000) for non-U.S. shipments, unless specified otherwise. Excessive freight costs caused by noncompliance with Kimball's written or verbal routing instructions will be assumed by Seller. Likewise, if Kimball's Material Schedule is not met, Seller will bear freight costs which are in excess of normal costs of an on-time delivery. In the absence of written or verbal routing instructions, Seller shall ship by the most economical surface transportation.

NONCOMPLIANCE WITH MATERIAL SCHEDULE

Neither Seller nor Kimball shall be liable for any delay or failure to perform its respective obligations resulting directly or indirectly from acts of God, strikes or other unavoidable causes beyond such parties' responsible control, excepting its own negligence. If Seller does not comply with Kimball's Material Schedule, Kimball may, at its option, either submit a revised Material Schedule or cancel this Order.

REJECTIONS

If any of the products ordered are found at any time not to conform to Seller's warranties herein, Kimball shall have any or all of the following options, in its sole discretion: (a) reject and return such products at Seller's expense (including incoming and return transportation costs); (b) require Seller to replace the rejected products on a revised Material Schedule; and/or (c) require Seller to inspect the products and remove defective products and replace with conforming products. If Seller fails to promptly make the necessary inspection, removal and replacement, Kimball may perform the necessary inspection and sorting of defective products at a reasonable charge to Seller.

KIMBALL'S PROPERTY

All tools, equipment or material of every description furnished and/or consigned to Seller by Kimball shall be and remain the personal property of Kimball. Such property, and wherever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by Seller as Kimball's property and shall be safely stored separate and apart from Seller's property. Seller shall not substitute any property for Kimball's property and shall not use such property except in filling Kimball's Orders. Seller will, at its expense, fully insure such property against loss, theft or destruction in an amount equal to the replacement cost with loss payable to Kimball. At Kimball's direction, Seller shall ship such property to Kimball in the same condition as originally received or manufactured by the Seller, reasonable wear and tear excepted.

CHANGES

Kimball reserves the right to make changes of any kind (including quantity) in this Order. If such changes affect delivery or piece price, Seller shall notify Kimball in writing within ten (10) days and negotiate an adjustment. Seller is obligated to minimize the effect of any changes including, but not limited to, diverting material for other uses.

MANUFACTURING DEVIATIONS

Seller shall not change the material components, manufacturing processes or methods used in production of the products covered by this Order without Kimball's prior written consent.

PAYMENT

Payment terms are net 60 days from the date Kimball receives Seller's invoice. Amounts owed are payable in U.S. dollars, and prices quoted by Seller are deemed to include all taxes.

ASSIGNMENT

Seller may not assign this Order without Kimball's written consent.

SET-OFF

Kimball shall have the right to set-off any amount owing from Seller to Kimball (or any of its affiliated companies) against any amount payable by Kimball in connection with this Order.

COMPLIANCE WITH LAWS

To the extent applicable, (a) Seller shall comply with all federal, state or local laws, rules, regulations and orders which may be applicable to this Order or Seller, all of which are incorporated herein by reference and made a part hereof, and Seller agrees to incorporate the foregoing provisions in all subcontracts under this Order, (b) in accordance with Executive Order No. 11246, as amended, and implementing regulations in 41 Code of Federal Regulations, Chapters 60 (and the FAR), the Seller agrees not to discriminate against any employee or applicant for employment because of race, color, national origin, religion, sex, age, handicap (Rehabilitation Act of 1973, Section 503, P.L. 93-112 and Executive Order 11758), disabled veteran and Vietnam-era veteran (Vietnam Era Veterans Readjustment Assistance Act of 1974, Section 402, P.L. 93-508 and Executive Order 11701), and (c) Seller will take affirmative action to ensure that the Equal Employment Opportunity responsibilities are implemented in employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeships. All other applicable provisions of the Rules and Regulations of the Office of Federal Contract Compliance Programs, Equal Employment Opportunity Commission and Department of Labor are hereby incorporated by reference. Further, to the extent applicable, Seller warrants that each chemical substance constituting or contained in products sold or otherwise transferred to Kimball hereunder, which is required or permitted to be reported for the inventory of chemical substances published by the EPA pursuant to the Toxic Substance Control Act (15 USC Sec. 2601 et. seq.), is as of the time of sale or transfer on the list of such substances published by the Administrator of the EPA, and furthermore such chemical substances are to be properly labeled as required by the Hazardous Substance Act (15 USC Sec. 1261 et. seq.). Seller also certifies to its compliance with all applicable provisions of the Occupational Safety and Health Act of 1970, as amended, and its rules, regulations, safety and health standards and general duty obligation, in order to furnish its employees and the employees of Buyer with whom it may contact "employment and a place of employment which are free from recognized hazards that are causing or are likely to cause death or serious physical harm". Seller will comply with all applicable import / export laws.

FAIR LABOR STANDARDS ACT

In accepting this Order, Seller represents that the products to be furnished hereunder were or will be produced in compliance with applicable requirements of the Fair Labor Standards Act of 1938, as amended, and unless otherwise agreed in writing, Seller shall insert a certificate on all invoices submitted in connection with this Order stating that the products covered by the invoice were produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended, including Sections 6, 7 and 12(a) and regulations and orders of the Wage and Hour Division issued under Section 14.

CONFIDENTIAL INFORMATION

Any product knowledge or information which Seller discloses to Kimball shall not be deemed confidential or proprietary information of the Seller unless Kimball agrees otherwise in writing. Any product knowledge or information which Kimball discloses to Seller shall be deemed confidential or proprietary information of Kimball and shall be treated by Seller with the same reasonable standard of care and confidentiality with which Seller treats its own confidential and proprietary information. All original materials created by Seller for Kimball pursuant to this Order will be considered, at the time of delivery to Kimball or its designee, works made for hire, and not works of joint authorship, and the copyrights therein will be owned by Kimball. To the extent that such paid for materials may not be held to be works made for hire, Seller hereby assigns the sole right, title and interest in such materials to Kimball, and Kimball may register the copyrights in such materials.

INFRINGEMENT

Seller warrants that any products and services provided hereunder do not infringe the rights of any person. Seller will indemnify and hold Kimball harmless from any and all loss or expenses (including attorney fees) resulting from any claim, suit or action for infringement relating to the services or products provided under this Order.

INDEMNIFICATION

Seller shall indemnify, hold harmless and defend Kimball, its parent, subsidiaries and affiliated companies and their respective officers, directors, agents and customers from any costs, damages, expenses (including reasonable attorneys' fees), or other losses arising from any suits, proceedings or causes of action brought against Kimball in connection with the products or services provided hereunder in the event that (i) such products or services do not conform with the SQM, design or other specifications, (ii) the materials used by Seller are defective, or (iii) the materials used or products supplied by Seller are subject to or cause any recall or similar action. Seller shall also indemnify Kimball against all losses due to injury or to death of any person and damage to or loss of any property arising from allegedly defective products or services provided to Kimball or any party adjudged legally entitled to compensation.

FOR WORK ON PREMISES

If Seller's work under this Order involves operations by Seller on the premises of Kimball or one of its customers, Seller shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work. Seller shall indemnify and hold harmless Kimball against all loss (including attorney fees) which may result in any way from any act or omission of the Seller, its agents, employees or subcontractors. Seller shall maintain such Public Liability, Property Damage, Worker's Compensation and other insurance necessary to protect Kimball from said risks.

INSOLVENCY

If Seller: (1) ceases to conduct its operations in the normal course of business; (2) is unable to meet its obligations (as they mature); (3) becomes subject to any proceedings under the bankruptcy or insolvency laws; (4) has a receiver appointed or applied for; (5) makes an assignment for the benefit of creditors, then Kimball may terminate this Order without liability except for conforming products already delivered and accepted.

HEADINGS

Paragraph headings are for reference only and shall not be construed to limit or modify any of the terms contained herein.

LIMITATION OF RIGHTS

The terms of this Order shall in no manner whatsoever limit or restrict any right or remedies provided to a Kimball pursuant to the Uniform Commercial Code or any other laws. This Order shall be governed by the laws of the State of Indiana, United States of America, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of these Terms to the substantive law of another jurisdiction. Any action or proceeding seeking to enforce the terms of these Terms, or based on any right arising out of these Terms or transactions hereunder, must be brought in state court of competent jurisdiction located in Dubois County, Indiana, USA, or if jurisdiction will so permit, in the Federal District Court for the Southern District of Indiana located in Evansville, Indiana, USA, and the parties hereto consent to the jurisdiction and venue of said courts. No waiver of a breach of any provisions of this Order shall be deemed by reason of Kimball's acceptance of materials or any ordered payment for them, or constitute a waiver of any other breach or waiver of such provision. If any term or provision is adjudged to be invalid or illegal or is struck down by a court of law or equity, the remaining terms, and provisions shall continue in force.

WARRANTIES

Seller warrants and represents that all products sold under this Order will be of merchantable quality, free from all defects in design, workmanship and materials, and will be fit for the particular purposes for which they are intended, and that the products are provided in strict accordance with the specifications and/or to samples, drawings, designs or other requirements (including performance specifications) supplied. Seller also expressly warrants and represents that all products sold under this Order will conform to the requirements of Kimball's Supplier Quality Manual ("SQM") (which may be viewed at www.kegroup.com/home/kegroup/GSQM/gsqm.pdf). Seller warrants and represents that all services provided hereunder will be performed by competent personnel, will conform to Kimball's specifications and will meet or exceed best industry standards. Such warranties shall survive delivery. At Kimball's option, Seller will promptly replace or repair non-conforming products or services or refund amounts paid therefor.

PARTIES

For purposes of this Order, "Kimball" means Kimball Electronics Group, which includes Kimball Manufacturing, Inc., and any of its affiliated entities purchasing services or products hereunder, and "Seller" means the party identified in the Purchase Order.

INTERNATIONAL TERMS

Notwithstanding anything to the contrary set forth above, this Purchase Order may be supplemented and amended by provisions prepared and attached by Kimball with respect to the laws applicable to a jurisdiction outside of the United States of America.