



**Electrical Components
International**

**TERMS AND CONDITIONS OF SALE OF
ELECTRICAL COMPONENTS INTERNATIONAL, INC. AND ITS AFFILIATES**

- 1. CONTROLLING TERMS AND CONDITIONS.** Seller objects to and is not bound by any term or condition in Buyer's order or related communications which is different from or in addition to Seller's terms and conditions, and Seller agrees to sell to Buyer, the products or services described or referred to herein, at the prices indicated only on the express condition that Buyer assents to the terms and conditions set forth herein. Buyer's acceptance is limited to the exact terms stated herein, and any additional or different terms or conditions proposed by Buyer are hereby expressly rejected. If this document is construed as an expression of acceptance or a confirmation of a verbal agreement, such acceptance or confirmation is expressly made conditional on the assent of the Buyer to the terms and conditions stated herein. No terms, conditions, description, price, quantity, or delivery schedule shall be changed, and no agreement or understanding in addition to or different from the terms and conditions stated herein shall be binding upon Seller without written authority from Seller's authorized representative. Any of the following acts by Buyer shall constitute Buyer's acceptance of these Terms and Conditions in their entirety and a representation that Buyer is solvent: (a) acknowledging the quotation; (b) issuing a purchase order, release, or other similar document for the Products on the same or substantially the same terms as reflected on the face of the quotation; (c) accepting delivery of the Products; or (d) by any other conduct which recognizes the existence of a contract for the purchase and sale of the Products
- 2. QUOTATIONS, CHANGES AND CANCELLATION.** Quotations are valid and firm for ten (10) weeks unless otherwise stated. Buyer may not, under any circumstances or for any reason, cancel its order or any part thereof unless Seller has received written notice (the "Notice") of the cancellation more than ninety (90) days prior to the shipping date last agreed upon by Seller for the order or the portion thereof being cancelled. In the event of any such cancellation or change of any order by the Buyer, Buyer shall be liable for liquidated damages in the amount of ten percent (10%) of the total contract price for each week there is a cancellation or delay.
- 3. PRICES.** The sale price(s) for goods delivered hereunder ("Products") are accepted as stated on Seller's quote, invoice or order acknowledgment. The prices set forth herein are not subject to trade or other discounts. All quotations of Seller expire thirty (30) calendar days from the date given. The price to Buyer for any Products shall be the applicable published price or valid quote in effect at the time of order entry. All prices are subject to change without notice and may be subject to any increase which may be in effect on the date of shipment.
- 4. VOLUME COMMITMENT.** Buyer must order exclusively from Seller all its actual requirements for the Products. Seller must deliver those Products so ordered, and Buyer must pay for those Products as stated in this Agreement or any Release.
- 5. MATERIAL LIABILITY.** Seller will receive forecasts from Buyer to support Buyer's requirements. Seller will purchase raw materials, based on component lead time plus manufacturing cycle time, to support forecasts assuming annual quantities, minimum order quantities, package minimum/multiples and the most efficient manufacturing processes. Forecasts are considered cancelled if (i) Seller receives receipt of cancellation notice from Buyer; or (ii) if Materials are purchased by Seller to meet the Buyer's forecasts and such materials remain on hand at Seller's

facility for thirty (30) days or more. "Materials" are raw materials including long lead-time and non-cancelable/non-returnable items, work in process and finished goods. Upon cancellation, the Buyer is responsible for and will pay Seller for excess material. Buyer will pay Seller for raw material, work in process and non-cancelable/nonreturnable on-order material at 105% of the cost. Finished goods inventory will be paid at quoted selling price. Seller will use reasonable commercial efforts, including the mutual involvement of Buyer, to return unused inventory for a full refund, net of restocking charges and to cancel open Purchase Orders with Seller's suppliers. Seller shall invoice Buyer and Buyer will pay for all excess inventory and cancellation charges. Payment terms will be net thirty (30) days from the date of invoice.

5. **MATERIAL INCREASE.** In the event Seller experiences increases in the cost to manufacture Product(s) which are outside the Seller's reasonable control (e.g. inflationary market conditions, force majeure, labor costs, Buyer's quoted volumes fluctuating by 15% or more), the Seller may provide written notice and reasonable evidence to the Buyer of such increase in cost. Within thirty (30) days of receipt of such notice, Buyer and Seller will work in good faith to address the issue(s) identified by the Seller. If after the conclusion of the thirty (30) day collaboration period, the issue(s) are not satisfactorily resolved, senior management for Seller and Buyer will meet within twenty (20) days to work in good faith to reach a mutually agreeable resolution, which may include resourcing the subject Products and/or increasing the subject Products' Prices. Price increases shall not be unreasonably withheld provided reasonable evidence of Material Increase has been provided and shall be implemented within a commercially reasonable period.
6. **REPRESENTATION OF SOLVENCY.** Buyer represents that by placing its order it hereby acknowledges that it is not insolvent as that term is defined in the Enterprise Bankruptcy Law of the People's Republic of China. In the event that Buyer becomes insolvent before delivery of Products, it will notify Seller. Failure to notify Seller shall constitute a written reaffirmation of Buyer's solvency at the time of delivery.
7. **WARRANTY.** For a period of one (1) year following the date each Product is delivered to Buyer, Seller represents and warrants to Buyer that each product shall (i) be free from defects in materials and workmanship, and (ii) conform to the specifications mutually agreed upon between the parties. If any Product fails to conform with these warranties, Seller shall, at its option, credit, repair, or replace the affected Product or refund the purchase price of the affected Product; these are Buyer's exclusive remedies for failure of Products to be as warranted.

Seller warrants its standard Products to be free of defects in workmanship and material under normal use and service and to perform substantially in accordance with published Seller specifications (subject to reasonable tolerances), in effect at the time of acceptance of Buyer's order, for a period of twelve (12) months from the date the Product is placed in use or eighteen (18) months from the date of manufacture, whichever occurs first ("Warranty Period"). If any Product fails within the applicable Warranty Period, Seller shall, at its option, repair or replace the Product or credit the purchase price, provided the Product is returned to Seller's facility or designated agent with transportation charges prepaid, and the Product, upon examination by Seller, is found not to conform to the Warranty.

This warranty does not extend to any losses or damages due to misuse, use of the Products in other than their normal and customary manner, accident, abuse, water, fire, neglect, normal wear and tear, negligence (other than Seller's), unauthorized modification or

alternation, use beyond rated capacity, unsuitable power sources or environmental conditions, improper installation, repair, handling, maintenance or application or any other cause not the fault of Seller. To the extent that Buyer or its agents has supplied specifications, information, representation of operating conditions or other data to Seller in selection or design of the Products and the preparation of Seller's quotation, and in the event that actual operating conditions or other conditions differ from those represented by Buyer, any warranties or other provisions contained herein which are affected by such conditions shall be null and void. BUYER ASSUMES SOLE RESPONSIBILITY FOR DETERMINING THAT THE PRODUCTS PURCHASED ARE SUITABLE FOR THEIR INTENDED APPLICATION AND USE. PRODUCTS MANUFACTURED TO BUYER'S DESIGNS, SPECIFICATIONS OR OTHER PARTICULAR REQUIREMENTS OR INSTRUCTIONS OF BUYER ARE NOT WARRANTED TO PERFORM IN ACCORDANCE WITH SUCH DESIGNS, SPECIFICATIONS, REQUIREMENTS OR INSTRUCTIONS AND THE WARRANTY PERIOD FOR SUCH PRODUCTS SHALL BE SIX (6) MONTHS FROM THE DATE THE PRODUCT IS PLACED IN USE.

THE FOREGOING WARRANTY IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, AND FITNESS FOR A PARTICULAR PURPOSE. THE FOREGOING IS SUBJECT TO THE LIMITATIONS OF LIABILITY HEREIN AND SHALL CONSTITUTE BUYER'S SOLE RIGHTS AND REMEDIES UNDER THESE TERMS AND CONDITIONS OF SALE WITH RESPECT TO DEFECTS IN THE PRODUCTS.

8. **INSPECTION AND ACCEPTANCE.** The Products covered hereby shall be deemed inspected and accepted within ten (10) days after receipt thereof, unless written notice of a claim is received by Seller within the ten (10) day period. In the case of damaged or nonconforming products or services, follow only the procedures and remedies outlined in the written warranty contained herein. Buyer shall return, by prepaid shipment, all allegedly nonconforming or defective products, subject to reimbursement by Seller of the cost of shipping such products found in fact to be nonconforming or defective, only after first obtaining and then observing, such reasonable instructions as Seller may give in authorizing any return by Buyer. All repairs are made on an FOB facility basis. If Buyer refuses to receive such products and services when tendered, Seller may exercise any or all of the remedies afforded to Sellers by section 2.703 et seq. of the Uniform Commercial Code. Seller shall have no obligation to hold or resell such products for Buyer's account.
9. **BUYER'S REMEDIES.** The remedy of issuing appropriate credit or replacement provided by the above warranty is the sole and exclusive remedy afforded for breach of the above written or for breach of any express or implied warranties arising under state law. Seller shall not be liable for any labor costs or other expenses in replacing a nonconforming or defective product; nor for any incidental or consequential damages resulting from or contributed to by any defect in materials or workmanship, negligence in manufacture or design, or failure to warn. Seller makes NO WARRANTY with respect to any product which has been altered or subjected to misuse, abuse or use for which it was not designed. Seller shall in no way be liable for any losses, costs, forfeitures, or damages (including loss of profits, liabilities of Buyer to its customers, employees, or third persons, and all incidental or consequential damages) whether direct or indirect and whether or not resulting from or contributed to by the default, negligence, whether in manufacturing or design, or failure to warn on the part of Seller, its agents, employees and

subcontractors, which might be claimed as the result of, or use (with or without an active malfunction) or malfunction of the products covered by this warranty.

NOTWITHSTANDING ANY CONTRARY PROVISION HEREIN, IN NO EVENT SHALL SELLER BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, INCIDENTAL, STATUTORY, LIQUIDATED, OR EXEMPLARY DAMAGES, LOSS OF PROFITS, LOSS OF REVENUE, OR LOSS OF USE, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. SELLER'S AGGREGATE LIABILITY FOR DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT AND/OR THE GOODS IN ANY CALENDAR YEAR SHALL IN NO CASE EXCEED TEN PERCENT OF SELLER'S ANNUAL REVENUE UNDER THIS AGREEMENT IN THE IMMEDIATELY PRECEDING CALENDAR YEAR; PROVIDED, HOWEVER, IN THE FIRST CALENDAR YEAR, SELLER'S AGGREGATE LIABILITY FOR DAMAGES SHALL IN NO CASE EXCEED TEN PERCENT OF SELLER'S ANNUAL REVENUE UNDER THIS AGREEMENT IN THE FIRST CALENDAR YEAR. THESE LIMITATIONS APPLY WHETHER THE CLAIM IS IN CONTRACT, TORT, OR OTHERWISE, EXCEPT THESE LIMITATIONS WILL NOT APPLY TO THE EXTENT PROHIBITED BY APPLICABLE LAW. UPON THE EXPIRATION OF THE APPLICABLE WARRANTY PERIOD SPECIFIED HEREIN, ALL SUCH LIABILITIES SHALL TERMINATE. THE FOREGOING SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF BUYER AND THE SOLE AND EXCLUSIVE LIABILITY OF SELLER.

Any litigation or claim relating to or arising out this Agreement must be commenced within twelve (12) months from the date of the alleged breach.

8. **DELIVERY AND FORCE MAJEURE.** Each delivery shall stand as a separate sale and is subjected to credit arrangements to the satisfaction of Seller or to payment in cash. If payments are not made in accordance with such arrangement or if at any time in the judgement of Seller, Buyer's credit standing has been impaired, Seller may withhold delivery of any goods called for hereunder until cash or credit arrangements satisfactory to the Seller have been established. Time is not of the essence with respect to the transaction(s) covered by this Agreement, except with respect to Buyer's obligation to make all related payments. All delivery dates specified by Seller are approximate and are based on its best estimate and are subject to change due to conditions beyond its reasonable control, including without limitation (1) acts of God, unforeseeable circumstances, acts (including delay or failure to act) of any governmental authority (de jure or de facto), war (declared or undeclared), riot, revolution, priorities, fires, strikes, explosions, floods, quarantine restrictions, sabotage, or epidemics, (2) inability due to causes beyond Seller's reasonable control to timely obtain, at normal prevailing market prices, necessary and suitable labor, materials, components, manufacturing facilities, transportation, or instructions from Buyer, and (3) any other cause beyond Seller's reasonable control if by reason of any such circumstances seller is unable to supply the total demand for the products to be delivered hereunder. Seller may make partial delivery of Buyer's order or may distribute the available supply of seller among any or all purchases on such basis as it may deem appropriate without liability for any failure of performance which may result therefrom. In the event of any such delay or failure, the date of delivery shall be extended for a period equal to the time lost by reason thereof.
9. **PAYMENT.** Payment is to be made by Buyer in United States dollars or other medium of exchange acceptable to Seller, upon presentation of invoice to Buyer by Seller, subject to the

terms and conditions of payment stated thereon. Payment terms are net 30 days from the date of delivery. Buyer shall make all payments as provided herein without regard to whether Buyer has made or may make any inspection or use of any Products. No discounts or setoffs shall be made by Buyer against any invoices unless approved in advance by Seller. Any invoiced amount which is not paid when due may bear interest at the rate of one and one-half percent (1-1/2%) per month or the highest rate then permitted by law, whichever is less, until paid in full. Prices are subject to change pursuant to Section 3 above. Seller's prices are quoted Ex Works Seller's plant or warehouse. Buyer shall pay or reimburse Seller for the cost of freight and insurance of the Products. Seller's prices do not include sales, use, excise, value added, custom duties, or other similar taxes. Consequently, in addition to the price specified herein, the amount of any such present or future taxes applicable to the shipping destination, sale of the products by Seller hereunder or the sales or the use of the products by Buyer hereunder shall be paid by Buyer.

10. TITLE, AND RISK OF LOSS. Title and risk of loss or damage will pass to Buyer upon Seller's delivery of the Products to the carrier for shipment to Buyer and no loss or damage will relieve Buyer of any obligation hereunder, including payment for lost or damaged Products. Seller shall have and retain a security interest and lien in and against the Products delivered to the Buyer until Seller has received payment in full from the Buyer. Buyer agrees that it shall cause all Products which Seller delivered but for which Seller has not been paid in full (wherein Seller has accordingly retained its interest) to remain in a separate and distinct location, marked by conspicuous signage disclosing Seller's retained interest in the Products and shall not transfer to any third party any interest in the Products. Buyer shall be responsible for maintaining full replacement cost insurance for the Products, at Buyer's sole expense, with Seller named as a loss payee and additional insured, until Seller has been paid in full. Cost of all return shipments, for whatever reason returned shall be borne by Buyer, with title passing to Seller at Buyer's shipping point of origin, and risk of loss passing to Seller upon delivery to it at its shipping destination.

Seller shall have no obligation to make any further shipments until all payments for prior shipments shall have been received by Seller. Furthermore, Seller may suspend production until such payment is received.

11. SUNSET CLAUSE. Notwithstanding any contrary provision herein, Seller shall invoice Buyer for any Products which have remained at Seller's facility and/or a third-party logistics warehouse for thirty (30) days or longer, provided that the delivery of such Products was accepted as described in Paragraph 1 of these Terms and Conditions.

12. SET-OFF. Buyer acknowledges and agrees that it may not set-off or otherwise debit against or recoup from any amounts due or to become due to Seller, any amounts due or become due to Buyer, unless and until Seller agrees in writing to such setoff or recoupment and shall not exercise any purported right to set-off, debit, or recoupment in connection with any disputed contingent or unliquidated claim. In the event Buyer fails to comply with the foregoing and without authorization or otherwise improperly sets off, debits, or recoups from amounts due or to become due to Seller, Seller shall be entitled, in addition to all of its other rights hereunder and otherwise, to suspend performance of its obligations under the Agreement until Buyer reverses such set-off, debit, or recoupment. Further, any amounts due or to become due to Seller shall not be otherwise reduced on account of any price reduction or compromise on receivables that Buyer may agree to with its customers, including, without limitation, in connection with any systems, assemblies,

components, modules, or other goods or services incorporating or otherwise utilizing the Products. Buyer shall pay all Seller's costs of collection, including Seller's attorneys' fees.

13. **TERMINATION BY SELLER.** Seller may immediately terminate the Agreement or any part of any order or release as a result of: (a) Buyer's breach, threatened breach, or repudiation of any representation, warranty, covenant, or other term of the Agreement; (b) any assignment for the benefit of creditors or any institution of proceedings in bankruptcy or insolvency by or against Buyer; (c) Buyer's request for accommodation from Seller, financial or otherwise, in order to meet its obligations under the Agreement; (d) Buyer entering or offering to enter into one or more transactions effecting a sale of a substantial portion of Buyer's assets or business or any merger, sales or exchange of equity interests that would result in a change of control of Buyer; or (e) financial or other condition that could, in Seller's sole discretion, endanger Buyer's ability to make required payments or otherwise perform (collectively, the "Default Events". Upon the occurrence of any of the Default Events, Seller may, at its sole option, do any or all of the following: (i) by notice to Buyer terminate this Agreement and any order or release; (ii) take possession of any Products for which Seller has not yet received payment; (iii) recover from Buyer any accrued and unpaid amounts outstanding, which shall be immediately due and payable to Seller.

In addition, Seller may terminate the Agreement or all or any part of any order or release, with or without cause, upon delivery of thirty (30) days' advance written notice to Buyer. Following Seller's termination, Buyer shall reimburse Seller, upon receipt of Seller's written demand, for all Products completed in accordance with Buyer's order or release and for any work in progress, raw materials acquired for the manufacture of the Products, any unreimbursed NRE, and Seller's costs for settling any claims or disputes with its sub-suppliers in connection with component parts, raw materials, or services related to the Products (collectively, "Termination Costs"). Under no circumstances shall Seller have an obligation to assist Buyer in any transition of supply of the Products (or substitutes of same) to Buyer or any other vendor, except to the extent otherwise expressly agreed to by Seller, and then, only upon Seller's actual receipt of all Termination Costs owed by Buyer to Seller together with any applicable fees for transition support.

14. **SPECIAL TOOLING.** If Seller manufactures or purchases special tools, dies, or equipment in connection with Buyer's order, such tools, dies, and equipment, unless otherwise agreed to in writing by an authorized representative of Seller, shall remain the exclusive property of Seller, notwithstanding that part of the cost thereof is included as a part of the price specified herein.
15. **PATENTS, TRADEMARKS OR COPYRIGHTS.** Buyer shall indemnify, defend and hold Seller harmless against any expenses, damages, costs or losses, including attorneys' fees, resulting from any suit or proceeding brought for infringement of patents, trademarks, or copyrights, or for unfair competition, arising from compliance with Buyer's designs or specifications or instructions. Seller shall have no indemnity or other obligation hereunder to the extent that any infringement is based on and would not have occurred but for the combination of the Product with other products or intellectual property, Buyer's designs or specifications, or any alterations or modification of the Product not performed by or authorized by Seller.
16. **ASSIGNMENT.** Buyer shall not assign any interest herein or any rights or obligations hereunder without the written consent of Seller.

17. **COMPLIANCE WITH APPLICABLE LAWS.** Seller warrants that all products to be furnished hereunder were or will be produced, manufactured, and delivered in compliance with all applicable federal, state, and local laws and ordinances, and all lawful orders, rules, and regulations thereunder, including but not by way of limitation, the applicable provisions of the Fair Labor Standards Act and the Occupational Safety and Health Act.
18. **REVISION.** Seller reserves the right to revise these terms and conditions of sale at any time.
19. **WAVIER OF TERMS AND CONDITIONS.** The failure of Seller in any one or more instances to insist upon performance of any terms or conditions contained herein, or to exercise any right or privilege hereunder, or the waiver by Seller of any breach by Buyer, of these terms or conditions of sale, shall not be construed as thereafter waiving such terms, conditions, rights or privileges, and the same shall continue and remain in force and effect as if no failure or waiver had occurred.
20. **CONFIDENTIAL INFORMATION.** “Confidential Information” shall mean certain information, including but not limited to, product information, product designs, customer information, business processes, forecasts, samples, and financial information, whether disclosed in writing, orally, or in any other tangible or intangible form from a party (“Discloser”) to another party (“Recipient”). Recipient shall not disclose or use Confidential Information without the prior written consent of Discloser, except that Recipient may disclose Confidential Information to its employees, agents, representatives, or affiliates (“Representatives”). Notwithstanding the foregoing, Recipient shall be liable to Discloser for any breach of the confidentiality obligations of this provision by its Representatives.
21. **NOTICE.** Any notice to Seller must be made by hand delivery, courier service, or certified mail to the following address: Electrical Components International, Inc., Attn: General Counsel, 1 City Place Drive, Suite 450 St. Louis, MO 63141. Seller may also grant Buyer written permission to provide notice via email to the following email address: tom.murray@ecintl.com.
22. **GOVERNING LAW/CHOICE OF FORUM.** This contract shall be construed under and governed by the laws of the State of Michigan. Buyer and Seller hereby irrevocably consent to the exclusive jurisdiction of the state and federal courts in and for Oakland County, Michigan, for all disputes arising hereunder.
23. **ENTIRE AGREEMENT.** The sole and exclusive provisions of the Contract of Sale are the terms and conditions of Seller, which shall control over any conflicting provisions in Buyer’s order or otherwise. Such contract and Seller’s terms and conditions of sales can be modified or rescinded only by writing signed by an authorized representative of Seller. Such contract constitutes the entire agreement between Seller and Buyer with respect to the products and services covered hereby and supersedes any prior or other agreements, written or oral, expressed or implied, between the parties.