



**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 are different from or in addition to Seller's terms and conditions. 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 fifteen (15) days 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 before 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 reimburse Seller for all costs and expenditures made or committed to be made by Seller up to the date of receipt by Seller of the Notice, including reasonable overhead and profits lost on the portion cancelled.
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 Seller quotations 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. **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 a cancellation notice from Buyer; or (ii) if Seller purchases Materials 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/nonreturnable 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. Buyer will pay Seller for finished goods inventory at the 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 invoice date.

5. **REPRESENTATION OF SOLVENCY.** Buyer represents that by placing an order, it acknowledges that it is not insolvent as that term is defined in section 1-201(23) of the Uniform Commercial Code. If 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.
6. **LIMITED WARRANTY.** For 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's warranties will not apply to any Product for which there has been (i) improper installation or testing, (ii) failure to provide a suitable operating environment, (iii) use of the Product for purposes other than that for which it was designed, (iv) failure to monitor or operate the Product per applicable Seller specifications and good industry practice, (v) unauthorized attachment or removal or alteration of any part of the Product, (vi) unusual mechanical, physical or electrical stress, (vii) modifications or repairs done by other than Seller, (viii) mishandling during shipment of the Product; or (ix) any other abuse, misuse, neglect or accident. To the extent that Buyer or its agents have supplied specifications, information, representation of operating conditions, or other data to Seller in the selection or design of the Products and the preparation of Seller's quotation, and if 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.

7. **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.

8. **BUYER'S REMEDIES.** Buyer's sole and exclusive remedy is Seller issuing an appropriate credit or replacing the Product. 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 concerning any product that 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 defect, 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 OTHER PROVISION HEREIN OR IN ANY OTHER DOCUMENT OR COMMUNICATION, (A) SELLER'S LIABILITY AND OBLIGATIONS WITH RESPECT TO ANY CLAIM(S) RESULTING OR ARISING FROM OR RELATING TO THIS AGREEMENT, WHETHER IN CONTRACT, STRICT LIABILITY, TORT OR OTHERWISE, AND EVEN IF BUYER'S EXCLUSIVE REMEDY FAILS OF ITS ESSENTIAL PURPOSE, SHALL IN NO EVENT EXCEED IN THE AGGREGATE THE TOTAL PURCHASE PRICE RECEIVED BY SELLER FOR THE PRODUCTS (OR, IN THE CASE OF OBLIGATIONS ARISING FROM OR RELATING TO PARTICULAR PRODUCTS OR SERVICES RENDERED IN CONNECTION HERewith, THE PURCHASE PRICE OF SUCH PRODUCTS OR AMOUNT RECEIVED BY SELLER FOR SUCH SERVICES, RESPECTIVELY), AND (B) SELLER SHALL IN NO EVENT BE LIABLE TO BUYER OR ANY OTHER PERSON OR ENTITY, WHETHER IN CONTRACT, STRICT LIABILITY, TORT OR OTHERWISE, FOR SPECIAL, CONSEQUENTIAL INDIRECT OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER, OR CLAIMS OF ANY THIRD PARTIES. By accepting delivery of the Products ordered, Buyer agrees that it indemnifies and holds harmless Seller from and against all claims, loss, damage, and liability, including without limitation for personal injury, property damage, or commercial loss of whatever kind, directly or indirectly arising from or relating to the hazards inherent in Buyer's facilities or activities.

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

9. **DELIVERY AND FORCE MAJEURE.** Each delivery shall stand as a separate sale and is subjected to credit arrangements to the Seller's satisfaction or payment in cash. If payments are not made in accordance with such arrangement or at any time in the Seller's judgment, 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 concerning the transaction(s) covered by this Agreement, except for 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.

10. **PAYMENT.** Payment is to be made by Buyer in United States dollars or other medium of exchange acceptable to Seller, upon presentation of the 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 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 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 freight cost 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, Seller shall not bear responsibility for any countervailing duties, anti-dumping tariffs, or similar trade-related taxes or penalties imposed by any governmental authority on the Products. All such duties or tariffs arising from the import or export of the Products shall be the sole responsibility of the Buyer, and the Buyer agrees to reimburse Seller for such costs and indemnify and hold Seller harmless from any claims, liabilities, or costs associated with these obligations.

11. **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 full payment. 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.

12. **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.
13. **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.
14. **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.

15. **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.
16. **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.
17. **ASSIGNMENT.** Buyer shall not assign any interest herein or any rights or obligations hereunder without the written consent of Seller.
18. **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.
19. **REVISION.** Seller reserves the right to revise these terms and conditions of sale at any time.
20. **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.
21. **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.

22. **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.

23. **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.

24. **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.