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## TERMS & CONDITIONS

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- 1. NOTWITHSTANDING ANY ADDITIONAL TERMS THAT MAY BE INCLUDED WITH CUSTOMER'S ORDER, ACCEPTANCE OF CUSTOMER'S ORDER IS EXPRESSLY CONDITIONED UPON CUSTOMER'S AGREEMENT TO THE TERMS AND CONDITIONS BELOW, AND ON ANY ATTACHMENT(S) HERETO, WHICH SHALL CONSTITUTE THE ENTIRE AND COMPLETE AGREEMENT BETWEEN THE PARTIES.** These terms and conditions may not be varied in any way, nor may customer's order be terminated after receipt by the Company, except by written agreement by TT Electronics, Inc. (also referred to as the "Company"). Should customer use its own purchase order form, or any such document, in connection with the sale of the goods, customer expressly agrees that such purchase order or other such document will be governed by the terms and conditions of this agreement, and any provision of such purchase order or other such document which in any manner differs from, or is in addition to the provision(s) of the agreement shall be of no force or effect. Purchases are to be paid in United States dollars and to be payable according to the terms on the invoice. If not otherwise stated herein, a deposit may be required on special orders when the order is placed. This deposit is forfeitable in the event of cancellation. No discounts allowed for early payment. Past due balances may be subject to a service charge (which shall become part of the purchase price for purposes of the remaining provisions of this agreement). The service charge is calculated as the lesser of either the maximum amount legally chargeable or the balance past due, exclusive of service charges, from the invoice payment schedule due date at 1 1/2% per month (18% per annum). The Company may cancel or delay delivery of any product in the event customer fails to make payment for any product when due.
- 2.** All goods furnished hereunder will be shipped according to Incoterms 2010 as specified herein, and possession to such goods shall pass as governed by the stated Incoterm, named place, and ship terms as applicable. Goods will be packaged in accordance with the Company's standard procedures. Any special marking or packaging requirements must be specified by customer and are subject to acceptance by the Company and to additional charges. Customer agrees to take and pay for all conforming goods according to the terms of this agreement.
- 3.** Quotes are valid for thirty (30) days and pricing is for specified quantities and may be subject to change due to market fluctuations in material and/or currency as well as approval of sample parts. When materials are furnished by the customer, an allowance for yield loss may be required. After 30 days, it is subject to withdrawal or change by TT Electronics, Inc. (Company). Upon receiving a purchase order, the Company and customer shall agree to a delivery date. The Company will only cancel or reschedule shipments if such request is made by the customer more than thirty (30) days prior to the Scheduled Ship Date. Regardless of when the request to reschedule or cancel is made, (a) any shipment rescheduled more than thirty (30) days after the Scheduled Ship Date may be made subject to any price increases which may result, including increases in labor, raw material, energy, transportation, tax or other manufacturing costs, and any reasonable inventory carrying charges, and/or any other reasonable additional charges, and (b) for any canceled orders, customer will be liable for all finished goods, all work in process, all raw materials purchased for the goods, or any other commitment made by the Company for the specific purpose of complying with customer's order. The prices stated herein do not include the cost of warehousing or storage. Customer shall pay the Company a monthly charge for goods held or stored by the Company more than ninety (90) days after the ready date. "Ready date" is defined as the date on which goods are first available for shipment to customer. Any goods held in storage by the Company over one (1) year after the Ready Date may be sold, scrapped or destroyed by the Company without relieving customer of the obligation to pay for the goods and the storage thereof. Customer hereby releases the Company from liability for any damage or deterioration of the goods which occurs as a result of storage. All estimates of lead times and completion dates for tools, samples, and product shipments may be modified due to conditions beyond the Company's control. Advance billing may apply for certain orders. Applicable miscellaneous charges will be invoiced as required. All finished goods, work in process, and certain raw materials are non-cancelable and non-returnable, or both at TT Electronics's discretion. Customer shall pay or reimburse the Company, in addition to all other charges specified in this agreement, all taxes and other fees (exclusive of net income taxes), however designated, including, but not limited to, excise, sales, use and gross receipts taxes or any amount legally

levied in lieu thereof, based on or measured by charges set forth in this agreement, or on this agreement, or on the use of goods delivered hereunder, now or hereafter imposed under the authority of a federal, state or local jurisdiction, and any penalties and interest thereon which may arise because of customer's failure to pay or reimburse the Company in a timely manner.

4. The customer shall be fully responsible for all delays and increased costs resulting from customer's failure to provide to the Company defect-free parts in an agreed upon time frame, which such parts customer previously has agreed to supply to the Company.
5. **THERE IS NO WARRANTY BY THE COMPANY THAT THE GOODS SHALL BE DELIVERED FREE FROM CLAIM ON ANY PERSON BY WAY OF INFRINGEMENT.** There is no undertaking by the Company with respect to patent or trademark infringement.
6. The Company warrants to customer that the goods delivered hereunder shall be free from defects in material and workmanship, subject to variations within industry standards. This warranty shall extend for a period of ninety (90) days after date of delivery of articles to customer. This warranty is granted for the exclusive benefit of the customer and shall not accrue to the benefit of any end user or third party. **THE COMPANY MAKES NO WARRANTIES AS TO THE GOODS, EXCEPT AS DESCRIBED HEREIN, AND EXPRESSLY DISCLAIMS ALL OTHER, WARRANTIES WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.** All claims for shortages or apparent defects in quality shall be deemed waived unless made in writing prior to ninety (90) days after receipt of goods by customer (i.e., failure of customer to submit a warranty claim during the ninety (90) days period referenced in the preceding sentence shall be an admission by customer, as well as conclusive proof, that such goods are in every respect as warranted, and customer shall release the Company from any and all claims for loss or damage sustained by customer). Defective goods shall be held by customer at customer's expense for the Company's inspection. The Company's sole liability, and the buyer's sole remedy, for a breach of warranty shall be, at the Company's election, to remedy defects by repair, replacement or refund of the price paid for any defective goods which are the subject of proper notice. It shall be customer's responsibility to pursue claims against the carrier when goods have been damaged or lost in transit. Under no circumstances shall customer cancel this agreement as a result of the delivery of defective goods; **NOR SHALL THE COMPANY BE LIABLE FOR INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY DEFECT, SHORTAGE, DELAY OR ANY BREACH OF WARRANTY; NOR SHALL THE COMPANY'S LIABILITY UNDER ANY CIRCUMSTANCES, INCLUDING COMPANY'S NEGLIGENCE, EXCEED THE PRICE OF THE DEFECTIVE GOODS.** Customer shall indemnify, defend and hold Company harmless from and against all liability, cost and expense for claims and actions of any kind by any third party (excluding customer, Company and their employees) for injury, alleged injury, death, property damage or alleged property damage arising out of or in any way connected with the use, possession or transfer of the goods manufactured and delivered hereunder. Notwithstanding customer's indemnification, in the event of a claim or lawsuit against Company, Company shall have the right to engage legal counsel on its own behalf, which legal counsel shall cooperate with legal counsel engaged by customer, in the defense of any such claim or lawsuit. Customer shall be in default of this agreement if (a) customer is in violation of any of the terms hereof, (b) any petition is filed against customer in any court, whether or not pursuant to any statute of the United States or any state, in any bankruptcy, reorganization, composition or extension and if such proceeding is not dismissed within ninety (90) days after the date of filing, (c) customer is unable to pay its debts as they become due, or (d) any representation made by the customer to Company pursuant to this agreement or any order hereunder is false or misleading. In the event that customer is in default, Company shall be entitled to all remedies available at law or in equity, including, but not limited to, the right to (a) withhold delivery of any undelivered goods, (b) recover lost cost and lost profits on any delivered goods, (c) repossess any previously delivered goods, (d) resell withheld or repossessed goods and recover damages from customer, (e) recover the contract price from customer on any delivered goods, and (f) recover expenses, including reasonable attorney's fees and incidental damages, on any delivered or undelivered goods.

7. Goods cannot be returned except with consent of the Company. When return of goods is authorized by the Company, shipping charges on such goods will be prepaid unless otherwise noted by the Company in its authorization to return.
8. Specific requests from the Customer, such as qualification tests and test data, may be performed by the Company at the Customer's expense.
9. After submitting an order, Customer may propose changes to the quantity required or the specifications of the goods subject to acceptance by the Company. If the Company accepts such changes and such changes cause an increase or decrease in the price of the goods or alters the time required to ship the goods, then such changes will be implemented only if customer agrees in writing to an equitable adjustment in the price or a change in the shipment schedule for such goods.
10. All (a) drawings, data, specifications, designs, patterns, molds, tools, samples and other items prepared by the Company, and (b) inventions made by the Company, including inventions based on information supplied by customer, incident to this agreement and any attachment(s) and/or any order(s) related hereto, shall be the sole and exclusive property of the Company.
11. In cases of clerical errors, the Company reserves the right to make necessary changes.
12. This agreement constitutes the entire agreement between the parties relating to this transaction, and any course of prior dealings, promises or conditions in connection therewith, including any purchase orders relating hereto, or usage of trade not incorporated herein, shall be binding upon either party. No waiver, alteration or modification of any of the provisions hereof shall be binding unless made in writing and signed by a specifically authorized representative of the Company. In the event that any one or more of the provisions contained in this agreement is, for any reason, held to be unenforceable in any respect under the law of any state, or of the United States of America, such unenforceability of that provision shall not affect any other provision of this agreement, and this agreement shall thereafter be construed as if such unenforceable provision had never been contained herein. This agreement shall be governed and construed in all respects in accordance with the laws of the State of Minnesota. Any controversy or claim arising out of or relating to this agreement, or for the alleged breach, default, invalidity or illegality thereof shall, at the Company's option, be settled by final and binding arbitration held in Minneapolis, Minnesota in accordance with the rules of the American Arbitration Association, and judgment upon any award thereon may be entered in any court having jurisdiction thereof. The prevailing party, as determined by a majority of arbitrators or by a court having jurisdiction over the controversy or claim, shall be entitled to recover from the other party all costs of the arbitration and/or judicial proceeding, including reasonable attorneys' fees. Customer shall not delegate its duties and obligations hereunder without the prior written consent of the Company. The Company's delay or failure to manufacture or deliver goods according to the terms hereof shall not constitute a default, nor shall it subject the Company to any liability whatsoever if such delay or failure results directly or indirectly from causes reasonably beyond the Company's control including, but not limited to: acts of God, fire, flood, explosion, earthquake, war, government action, judicial action, strike or labor trouble, equipment failure, shortage or inability to obtain materials, fuel, equipment, labor or transportation.