

Methode Purchasing Terms and Conditions for MRO (China)

1. These terms and conditions ("Terms") shall apply to all purchase orders and agreements between Methode Electronics Inc. (and all of its affiliated companies) ("Buyer") and its suppliers ("Seller"). Seller's written acceptance or commencement of any work or service under any purchase order or agreement shall constitute Seller's acceptance of these Terms. Any term or condition proposed by Seller which is different from or in addition to these Terms shall be deemed rejected by Buyer except to the extent that an authorized officer of Buyer expressly agrees in writing.
2. Time is of the essence. If the delivery of goods or services is not completed on time, Buyer reserves the right, without liability, in addition to its other rights and remedies, to cancel the order or agreement. Buyer reserves the right to reject any unauthorized quantities at Seller's risk and expense.
3. Seller will not substitute any goods unless Buyer consents in writing. Buyer shall be allowed a reasonable period of time to inspect the goods for nonconformance with any of the Terms. Buyer may reject goods or require Seller, at Seller's cost, to correct goods which are non-conforming. Rejected goods may be returned or held by Buyer at Seller's risk and expense. Seller shall pay the cost of transportation, inspecting, sorting, packing, and like expenses. Buyer's payment for any non-conforming goods will not constitute acceptance by Buyer. Seller shall reimburse Buyer for all such costs.
4. Seller shall properly pack, mark and ship goods in accordance with Buyer's instructions. Seller shall promptly notify Buyer in writing if Seller is unable to comply and shall bear all costs for failure to comply. Buyer may charge Seller for damage to or deterioration of goods resulting from improper packaging. Title and risk of goods shall be on Seller until goods have been delivered to and accepted by Buyer.
5. Seller shall issue to Buyer an original invoice upon delivery of goods or services that shall include Buyer's contract and/or order number and line item number. No additional charges of any kind, including but not limited to charges for packing, cartage or other extras, will be accepted, unless an officer of Buyer expressly agrees in writing. Seller is liable for and shall pay all taxes, duties, and similar levies.
6. Buyer reserves the right to direct changes to the goods or scope of work. Seller shall promptly make such changes and the parties shall negotiate an equitable adjustment in the price if such change increases or decreases the cost or time required to perform the contract.
7. In addition to all warranties prescribed by law, Seller warrants that all goods and/or services will be free from defects in materials and workmanship, conform to all specifications, technical standards, drawings and samples, comply with all laws and regulations, be merchantable and suitable for the purpose intended, be wholly new and contain all new components, not contain any counterfeit parts or components, and not infringe or violate the intellectual property rights of any person or entity. This warranty shall survive inspection and acceptance of, and payment for, the goods and services and shall run to Buyer and its successors, assigns, customers and users of the goods. As to any components or parts obtained from third parties, Seller shall take all reasonable steps necessary for Buyer to receive the benefit of such third party's express or implied warranty. Seller warrants that it has good and warrantable title to all goods and services, free and clear of any security interests or liens.
8. Prior to shipment, Seller agrees to furnish to Buyer sufficient written warnings and notices (including appropriate labels on goods and packing) of any hazardous material used in or with the goods, together with any special handling, transportation or disposal instructions. If requested by Buyer, Seller shall promptly furnish to Buyer information as to the goods' ingredients.
9. Seller shall indemnify, defend and hold harmless Buyer and its customers, contractors, predecessors, successors, assigns, and agents (the "Buyer Indemnified Party") against all claims, suits, damages, costs and attorney's fees ("Claims") for any death, injury or damage relating to or arising out of the acts or omissions of Seller or its contractors, representatives, or agents (the "Seller Indemnifying Party") under this contract, including without limitation, any defect or alleged defect in the goods supplied by the Seller Indemnifying Party, any actual or alleged negligence or fault of the Seller Indemnifying Party in connection with the design or manufacture of the goods, or any breach of the representations and warranties. Seller shall indemnify, defend and hold harmless the Buyer Indemnified Party against any Claims related to or arising out of the actual or alleged infringement of any Intellectual Property Rights (including, but not limited to, patent, trademark, copyright, industrial design, or based on misuse or misappropriation of information) in connection with the goods or services.
10. Buyer may at any time terminate the purchase order or agreement, in whole or in part, by written notice, or verbal notice confirmed in writing. If the purchase order or agreement is terminated for convenience, any claim of Seller shall be settled on the basis of the reasonable costs it has incurred.
11. Seller shall purchase and maintain insurance coverage with reputable carriers in amounts and of types which are commercially reasonable and customary in Seller's industry and adequate to meet all legal requirements. At Buyer's request, Seller shall furnish certified copies of the certificates of insurance.
12. Seller shall be liable for damages incurred by Buyer as a result of Seller's failure to perform its duties under this contract. Buyer's rights and remedies are cumulative and are in addition to other remedies provided by law. If Buyer brings

an action or asserts a counterclaim for enforcement of these Terms, Seller agrees that Buyer shall be entitled to its reasonable attorneys' fees and courts costs. The waiver of a breach of any provision does not constitute a waiver of any other provision. In addition to any right provided by law, Buyer shall have the right to setoff or recoup from any amounts due to Seller.

13. Credits or benefits arising from this order or agreement, including trade or export credits or the refund of duties, taxes or fees, shall belong to Buyer. Seller shall provide all information necessary to permit Buyer to receive such benefits or credits, as well as to fulfill its customs obligations, origin marking or labeling requirements. Seller will not violate, and will not cause Buyer to violate, any export control laws. Seller agrees to comply with applicable export control and sanctions laws of the United States of America, of member States of the European Union, and any other relevant country (the "Export Control Laws"). Seller shall be responsible for export licenses or authorizations. Seller shall make all necessary arrangements for goods to be covered by any duty deferral or free trade zone program.

14. Seller shall comply with all applicable laws and regulations, including those relating to the labeling, manufacture, transport, import/export, licensing, or certification of goods or services, data privacy and protection, environmental matters, wages and conditions of employment, subcontractor selection, discrimination, and occupational health and motor vehicle safety. Seller warrants and represents that it and its subcontractors will not utilize child, slave, prisoner or any form of involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of goods or services hereunder. Seller agrees to comply with all applicable anti-corruption laws, including but not limited to, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act of 2010, and that neither it nor any of its subcontractors, agents or third parties will engage in any form of bribery, nor directly or indirectly provide or offer to provide, anything of value to any governmental official or employee in order to influence them. At Buyer's request, Seller shall certify in writing its compliance and will indemnify and hold Buyer harmless from and against any liability arising from Seller's noncompliance. Seller warrants and agrees that Seller and its agents and representatives do not and will not give or ask to be given anything of value to Buyer or its representatives, directly or indirectly, so as to influence them.

15. Seller shall comply, and shall cause its subcontractors to comply, with Methode's Supplier Code of Conduct available online at <http://supplier.methode.com> or from Buyer's purchasing representative.

16. Seller and Buyer are independent contracting parties. Seller shall not, and shall require that its subcontractors shall not, without first obtaining Buyer's written consent, publish in any manner the fact that Seller has contracted to furnish Buyer the goods or services, or use in any way Buyer's trademarks or trade names.

17. Seller shall not assign, delegate or subcontract any of its rights or obligations without Buyer's prior written consent. No assignment, delegation or subcontracting by Seller, with or without Buyer's consent, shall relieve Seller of any obligations. These Terms are binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

18. These Terms shall be governed and construed in accordance with the laws of the People's Republic of China. The parties specifically disclaim application of the United Nations Convention on Contracts for the International Sale of Goods. Buyer and Seller will attempt to settle any claim or controversy arising out of these Terms through consultation and negotiation in good faith and spirit of mutual cooperation. If the matter cannot be resolved, unless otherwise agreed, either party shall refer any dispute to the China International Economic and Trade Arbitration Commission ("CIETAC").

19. This agreement, together with any relevant attachments, appendixes, exhibits, or supplements, constitutes the entire agreement between Seller and Buyer and supersedes all prior oral or written representations and agreements. In the event these Terms are referenced in an agreement, these Terms shall control unless otherwise specifically provided. If any Term is invalid or unenforceable under law, such Term shall be deemed reformed or deleted but only to the extent necessary to comply with such rule of law. The remaining provisions shall remain in full force and effect. The warranties, representations and obligations of Seller shall survive the delivery of goods or services and any termination or expiration of this agreement.

20. In the event that these Terms and Conditions shall be translated for any reason, the English version will govern.