

Methode General Terms and Conditions for Equipment Purchasing (CHINA)

- 1. Acceptance.** Seller has read and understands these terms and conditions, and agrees that Seller's written acceptance of any purchase order for equipment (the "Equipment") issued by Methode Electronics, Inc. or any of its affiliates (as the case may be, "Buyer") to the party supplying such Equipment (together with or any of its affiliates, collectively "Seller") or delivery of any Equipment shall constitute Seller's acceptance of these terms and conditions and the terms of Buyer's purchase order (together, this "Agreement") only. Any term or condition proposed by Seller which are different from or in addition to these terms and conditions or the purchase order shall be of no force or effect unless incorporated into an amendment made in accordance with Paragraph 26.15.
- 2. Packing, Shipping and Delivery.**
 - 2.1.** Seller shall: (a) properly pack, mark and ship the Equipment in accordance with the requirements of Buyer, the involved carriers, and, if applicable, the country of destination; packaging shall be suitable for the type of good including, where appropriate, long-distance transport, moisture-proof, waterproof, shockproof, rustproof, resistant to rough loading and unloading and consistent with industry practices and standards, so as to prevent the Equipment from being damaged and cause the Equipment to be delivered properly to Buyer; (b) route shipments in accordance with Buyer's instructions; (c) make no charge for handling, packaging, storage, transportation or drayage of the Equipment, unless otherwise stated in this Agreement; (d) provide with each shipment packing slips with Buyer's contract and/or order number and date of shipment marked thereon; (e) properly mark each package with a label/tag according to Buyer's instructions; (f) promptly forward the original bill of lading or other shipping receipts with the correct classification and identification of the Equipment shipped in accordance with Buyer's instructions and carrier's requirements; (g) mark each package and identify the Equipment on packing slips, bills of lading and invoices (when required) to enable Buyer to easily identify the Equipment purchased; (h) at the request of Buyer, provide electronic versions of documents and information related to the shipping and delivery of the Equipment herein; and (i) promptly notify Buyer in writing if Seller is unable to comply with the shipping instructions in this Agreement. Buyer may charge Seller for damage to or deterioration of the Equipment resulting from improper packing or packaging.
 - 2.2.** Title and risk of loss to the Equipment under this Agreement shall be transferred from Seller to Buyer, and delivery shall take place, at the location and in accordance with the delivery terms specified in Buyer's purchase order. If no delivery terms are specified in the order, delivery shall be DDP (Incoterms 2010) Buyer's premises or other place or places designated by Buyer in Buyer's purchase order.
 - 2.3.** Prior to and during the shipment of the Equipment purchased hereunder, Seller agrees to furnish to Buyer sufficient warning and notice in writing (including appropriate labels on the Equipment, containers and packing) of any hazardous material that is incorporated into the Equipment, together with such special handling instructions as may be necessary to advise carriers, Buyer and their respective employees on the measure of care and precaution which will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Equipment, containers and packing shipped to Buyer.

3. Schedule and Quantity.

3.1. Time and quantity are of the essence in Seller's performance hereunder, and Seller shall strictly adhere to the schedules and quantity specified in Buyer's purchase order.

3.2. In the event of any anticipated or actual delay, including, but not limited to, delays attributed to labor disputes, Seller shall: (a) promptly notify Buyer in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay; and (b) provide Buyer with a written recovery schedule. Unless Seller is excused from prompt performance as provided in Paragraph 18 of this Agreement, Buyer shall have the right to: (a) choose other transportation service providers and require a more expeditious method of transportation for the Equipment than the transportation method originally specified by Buyer, such transportation expense incurred by Buyer to be borne by Seller; or (b) order the Equipment from an alternative source and charge Seller the difference in price between the alternative Equipment and the contract Equipment. Seller shall be liable for all additional costs incurred by Buyer as a result thereof, including, but not limited to, price difference (including imported parts), transportation fee, related overtime pay, and all losses of deliveries to Buyer's customers arising from Seller's delay.

4. Delays in Delivery. Buyer may, by written order, change the date of shipment of the Equipment or, if delivery of the Equipment is to take place in multiple shipments, change the dates of, or direct the temporary suspension of, all or some of the shipments of the Equipment, neither of which shall entitle Seller to a modification of the price for the Equipment covered by this Agreement.

5. Quality Control; Inspection.

5.1. Seller agrees to participate in Buyer's supplier quality and development program(s) and to comply with all quality requirements and procedures specified by Buyer, as revised from time to time, including those applicable to Seller as set forth in Buyer's Supplier Quality Manual available online at <http://supplier.methode.com>. Seller shall permit Buyer to review procedures, practices, processes and related documents to ensure such compliance.

5.2. Buyer and Buyer's customers may enter Seller's facility, including Seller's subcontractors' facilities, at reasonable times, including during the period of manufacture and prior to and after delivery, to inspect such facility and the Equipment and/or the parts therefor. Seller shall furnish, and require its subcontractors to furnish, without additional charge to Buyer, reasonable facilities and assistance for the safe and convenient performance of such inspections.

5.3. Seller shall immediately notify Buyer in writing when discrepancies in Seller's process or materials are discovered or suspected which may affect the Equipment delivered or to be delivered under this Agreement.

6. Nonconforming Equipment.

6.1. Payment for Equipment delivered hereunder shall not constitute acceptance thereof. Buyer shall have the right to test the Equipment after installation at Buyer's premises as well as during building of the Equipment, including milestone checks, at Seller's facility. Buyer may reject the Equipment if it does not meet the specifications, technical standards, drawings,

samples, or descriptions that have been furnished, specified or approved by Buyer (the "Specifications") or any applicable warranty. In the event of a rejection of any Equipment or any component or subassembly of the Equipment, Seller shall have five (5) days to submit a plan to Buyer as to how Seller will make corrections or alterations to the Equipment or where applicable, the components or subassemblies. The plan shall include the time required for Seller to correct or alter the Equipment and the time period must be approved by the Buyer. After such rejection, Seller shall have a period (not to exceed five (5) working days or as agreed between Seller and Buyer), to make alterations at Seller's expense necessary to cause the Equipment to comply with the Specifications and warranties. Seller may again then tender the Equipment to Buyer. Buyer shall again have the right to test the Equipment. If the Equipment does not meet the Specifications or any applicable warranty, Buyer may at its option (a) retain the nonconforming Equipment and either repair the Equipment itself or request Seller do so, on or off-site; as applicable, or (b) reject the Equipment and be relieved of liability for the purchase price and be entitled to a refund of any payments already made. In the event of rejection of the Equipment, Buyer shall at its option, and without any liability to Seller, store the Equipment until Seller arranges for the return shipment of the Equipment at its sole cost and risk, or arrange for the return of the Equipment to Seller, at Seller's sole cost and risk. Any specific testing and rejection procedures contained in Buyer's purchase order shall supersede the language of this Paragraph to the extent of any inconsistency.

- 6.2.** Seller shall bear all costs and expenses incurred as a result of or in connection with nonconformance and repair, replacement or other correction.
- 6.3.** This Paragraph 6 shall not limit or impair Buyer's right to assert any legal remedy pursuant to this Agreement or relieve Seller's responsibility for latent defects. Acceptance of the Equipment, or payment for the Equipment, by Buyer shall not constitute acknowledgement of the Equipment as conforming, and will not relieve Seller of any obligations or liabilities under this Agreement or impair any rights or remedies of Buyer.

7. Invoice and Payment.

- 7.1.** Seller shall issue to Buyer an original invoice upon delivery of the Equipment and completion of any installation, testing or related services to be performed hereunder by Seller. Seller's invoice shall include Buyer's contract and/or order number and line item number. Unless otherwise approved by Buyer in writing, Seller shall not bill Buyer for the Equipment at prices higher than stated on the purchase order. Seller shall promptly repay Buyer any amounts paid in excess of amounts due Seller. Payment terms shall be as set forth in the purchase order or, if none are specified in the order, net 120 days.
- 7.2.** Seller warrants that the prices for the Equipment sold to Buyer are not higher than those extended to any other customer for the same or similar equipment in similar quantities. If Seller violates this warranty, Seller shall retroactively reduce the prices correspondingly.

- 8. Taxes.** Unless otherwise provided in the order, the price of this Agreement includes, and Seller is liable for and shall pay, all taxes, duties, and similar levies imposed on Seller. Buyer shall not be responsible or liable for any tax, duty or similar levy against Seller. To the extent that the purchase order provides for Buyer to be responsible for any sales, use or other tax, duty or similar levy under this Agreement, the purchase order shall specifically itemize such amounts and Buyer shall have the

right to contest or defend any audit or other action instituted by any governmental authority with respect to such tax, duty or levy.

- 9. Changes.** Buyer reserves the right at any time to direct changes, or cause Seller to make changes, to drawings and Specifications of the Equipment or to otherwise change the scope of the work covered by this Agreement, including work with respect to such matters as inspection, testing or quality control. Seller shall promptly make such changes, provided that if such change increases or decreases the cost or time required to perform this Agreement, Buyer and Seller shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. Any changes to this Agreement shall be made in accordance with Paragraph 26.15.
- 10. Services.** To the extent specified in the purchase order, Seller shall provide installation (or supervision thereof), startup, training, maintenance and/or additional service at the prices or rates on the purchase order or, if none, Seller's current standard rates. Seller shall provide such services in accordance with any schedule provided or referenced in the purchase order or, if related to installation, in a manner to enable Buyer to complete installation of the Equipment without delay. Any and all services supplied by Seller hereunder will be performed in accordance with the terms and conditions of this Agreement. Seller shall employ or subcontract with personnel that are skilled, competent, experienced and trained with respect to the services assigned to such person.
- 11. Spare and Replacement Parts.** During the ten (10) year period after Buyer's acceptance of the Equipment under this Agreement (or such shorter or longer period as may be specified in the purchase order), Seller shall maintain, at its expense, the ability to and shall sell spare and replacement parts to Buyer to allow Buyer to continue to maintain and operate the Equipment. Unless otherwise agreed to by Buyer, the prices during this period shall be the prices (if any) specified for such spare and replacement parts in the purchase order for the Equipment, or, if no such prices are specified, the then-current prices generally charged by Seller; provided that such prices shall not be higher than those extended to any other customer for the same or similar spare and replacement parts in similar quantities.
- 12. Buyer's Property.**

 - 12.1.** To the extent that Buyer furnishes (either directly or indirectly) to Seller, or directly reimburses Seller for the cost of, any specific supplies, materials, drawings, machinery, equipment, tools, jigs, dies, gauges, fixtures, molds, patterns or other items to be used by Seller to manufacture, assemble or otherwise produce the Equipment or any portion thereof ("Buyer's Property"), such Buyer's Property shall be and remain the property of Buyer and held by Seller on a bailment basis.
 - 12.2.** Buyer shall make no warranty on the quality of Buyer's Property, and Seller shall inspect any and all of such Buyer's Property before taking possession, custody or control as a bailment. Seller assumes all risk of loss, destruction or damage to Buyer's Property while in Seller's possession, custody or control, including any transfer to Seller's subcontractors.
 - 12.3.** Seller at its expense shall: (a) properly house Buyer's Property to a commercially reasonable standard; (b) maintain Buyer's Property, including its repair or replacement, in the condition necessary to produce the Equipment in accordance with the terms of the purchase order and this Agreement and be responsible for all wear and tear, excluding normal wear and tear; (c) conspicuously mark Buyer's Property as the property of Buyer; (d) prevent the commingling

of Buyer's Property with property owned by Seller or a third party; (e) obtain Buyer's prior written consent before moving Buyer's Property to another location of Seller or a third party; (f) use Buyer's Property solely in the performance of this Agreement unless specifically authorized in writing by Buyer; (g) keep and maintain, and provide proof upon Buyer's request of, adequate insurance against risk of loss, destruction or damage to Buyer's Property, even if it occurs despite Seller's exercise of due care; and (h) promptly notify Buyer if Buyer's Property is lost, damaged or destroyed. Buyer may, with five (5) days prior written notice, audit all pertinent books and records of Seller and its subcontractors, and to make reasonable inspection of Seller's and its subcontractor's premises, in order to verify compliance with the provisions of this Paragraph 12.3.

- 12.4.** Upon the request of Buyer and at Buyer's option, Seller shall immediately release or deliver Buyer's Property to Buyer, either: (a) F.O.B. Seller's plant, properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property; or (b) to any location designated by Buyer, in which event Buyer shall pay to Seller the reasonable costs of delivering such property to such location. Seller is responsible for labor and other costs of dismounting, dismantling and staging Buyer's Property for release or delivery. Seller agrees that in the event of its failure to hand over possession of Buyer's Property immediately upon Buyer's request, Buyer shall be entitled to enter Seller's premises and take possession thereof without any written or oral notification.
- 12.5.** When permitted by laws, Seller waives any lien or other rights that Seller might otherwise have in Buyer's Property, including, but not limited to, any rights of setoff, recoupment or counterclaim arising from this or any other transactions with Buyer.

13. Intellectual Property Rights.

- 13.1.** "Intellectual Property Rights" means any and all: (a) copyrights, trademarks, and patents; (b) rights relating to innovations, know-how, trade secrets, and confidential, technical, and non-technical information; (c) moral rights, author's rights, and rights of publicity; and (d) other industrial, proprietary and intellectual property-related rights anywhere in the world, that exist as of the date hereof or hereafter come into existence, and all applications, renewals and extensions of the foregoing, regardless of whether or not such rights have been registered with the appropriate authorities in such jurisdictions in accordance with the relevant legislation.
- 13.2.** Except as otherwise expressly provided herein, each party shall retain full title to and ownership of any Intellectual Property Rights which is or was developed by such party. To the extent that any Equipment is manufactured specifically to meet drawings and/or proprietary specifications provided by Buyer to Seller, then as between Buyer and Seller, Buyer shall acquire all Intellectual Property Rights to any aspect of such Equipment specific to such drawings or specifications (including any derivatives thereof or improvements thereto).
- 13.3.** To the extent that the Equipment embodies any Intellectual Property Rights of Seller or requires the use of any Intellectual Property Rights of Seller to operate, use, repair, refurbish, utilize or otherwise allow Buyer to exercise its rights as owner of the Equipment, Seller grants Buyer a perpetual, irrevocable, worldwide, nonexclusive, royalty-free license (with the right to assign or to grant sublicenses to any assignees, operators or transferees of the Equipment)

under Seller's Intellectual Property Rights to use, operate, test, install, maintain, support, repair, refurbish, utilize or otherwise allow Buyer to exercise its rights as owner of the Equipment. For the avoidance of doubt, no rights or license are granted which would allow Buyer to utilize Seller's Intellectual Property Rights apart from the Equipment delivered hereunder.

- 13.4. Buyer will require as-built plans or drawings for the Equipment as may be necessary for Buyer to operate and maintain the Equipment. Seller shall produce and provide to Buyer, at Seller's expense, in hard copy and electronic format reasonably specified by Buyer (with drawings being in English), a complete set of all as-built plans, drawings and specifications. Seller shall submit the copies of the as-built plans with Buyer's final payment for the Equipment.
- 13.5. Prior to shipment of the Equipment (and without further cost to Buyer), Company shall provide to Buyer one (1) hard copy and one electronic copy (in such format as may be reasonably requested by Buyer) of complete and detailed operation and instruction manuals of the Equipment in English (or other language if specified on the purchase order).

14. Confidentiality.

- 14.1. Buyer and Seller shall use the standard of care it would use in protecting the confidentiality of its own confidential information, but in no event less than the reasonable degree of care, to keep confidential and protect from unauthorized use and disclosure all confidential or proprietary data or information disclosed by one party to the other under this Agreement, including but not limited to, trade secrets, technical data, product specifications, testing specifications, processes, and results, pricing information, quality procedures and results, customer information, and any other information to the extent that information is identified orally or in writing as confidential by the producing party at the time it is shared or within a reasonable time thereafter (collectively, "Confidential Information"), provided that Confidential Information shall not include information that: (a) now or subsequently becomes generally available to the public through no fault or breach of the receiving party; (b) the receiving party can demonstrate to have such information rightfully in its possession prior to disclosure without being bound by similar confidentiality obligations; (c) the receiving party rightfully and without restrictions as to confidentiality obtains such information from a third party who has the right to transfer or disclose such information; or (d) is independently developed by the receiving party without reference to the Confidential Information of the disclosing party. Buyer and Seller shall each restrict disclosure of Confidential Information only to those who have a "need to know" in order for the party to perform its obligations under this Agreement and shall use Confidential Information of the other party only in performance of and for the purpose of this Agreement.
- 14.2. In the event that the receiving party is required to disclose all or part of the disclosing party's Confidential Information under the terms of a valid and effective subpoena, court order governmental rule or regulation or other judicial requirement, the receiving party agrees to immediately notify the disclosing party of the existence, terms and circumstances surrounding such a request or requirement so that the disclosing party may seek an appropriate protective order or waive compliance by the receiving party with the appropriate provisions of this Agreement. If the receiving party is compelled to disclose any of the disclosing party's

Confidential Information, it will disclose only the portion thereof which it is compelled to disclose and shall permit the disclosing party to seek an order or other reliable assurance that confidential treatment shall be accorded to the Confidential Information so disclosed.

- 14.3.** Despite any other obligations or restrictions imposed by this Paragraph 14, Buyer shall have the right to use, disclose and reproduce Seller's Confidential Information, and make derivative works thereof, for the purposes of use, operation, testing, installation, maintenance, support, repairing, refurbishment, utilization of the Equipment. Any such use, disclosure, reproduction or derivative work by Buyer shall, whenever appropriate, include a restrictive legend suitable for the particular circumstances.
- 14.4.** Seller may disclose Confidential Information of Buyer to its subcontractors as required for the performance of this Agreement, provided that Seller informs them of the confidential status of the information provided to them and takes reasonable steps to ensure they maintain the confidentiality of Buyer's Confidential Information. Seller shall be liable to Buyer for any breach of any obligations hereunder by such subcontractor.
- 14.5.** Upon Buyer's request at any time, and in any event upon the delivery of the Equipment and completion of any related services performed by Seller hereunder or the termination or cancellation of this Agreement, Seller shall return to Buyer all of Buyer's Confidential Information and all materials derived therefrom, unless specifically directed otherwise in writing by Buyer. Buyer shall have the right to audit Seller's compliance with this Paragraph 14. The provisions of this Paragraph 14 shall survive the performance, completion, termination or cancellation of this Agreement.

15. Warranty.

- 15.1.** Seller warrants that all Equipment and any services covered by this Agreement will: (a) conform to the Specifications; (b) comply with all laws and regulations including, but not limited to, national standards, trade standards, and local standards; (c) be merchantable and suitable for the purpose intended; (d) be wholly new and contain new components and parts unless authorized in writing by Buyer; (e) be free from defects in materials and workmanship; and (f) be free from defects in design to the extent furnished by Seller, even if the design has been approved by Buyer. The warranty period begins on the date the Equipment is accepted by Buyer and extend for the period specified in the purchase order or, if no period is specified in the order, a period that is the longer of: (a) Seller's standard warranty for the Equipment; or (b) the warranty provided under applicable laws, industry regulations or industry practices or standards. This warranty shall survive inspection, test and acceptance of, and payment for, the Equipment. This warranty shall run to Buyer and its successors, assigns, and transferees of the Equipment. To the extent the Equipment contains components or parts that are obtained from third parties, which components or parts are the subject of any express or implied warranty, Seller shall take all commercially reasonable steps necessary and shall in good faith cooperate with Buyer to obtain for Buyer the benefit of such warranty, including, without limitation, by producing evidence to support Buyer's warranty claim.
- 15.2.** Seller warrants that it has good and warrantable title to the Equipment, free and clear of any security interests, liens or encumbrances, and that Seller has full power and authority to enter

into this Agreement and to convey all rights and licenses granted to Buyer under this Agreement.

15.3. Seller warrants that the Equipment delivered under this Agreement, and the operation of the Equipment in the manner intended, shall not infringe, misappropriate or otherwise make unauthorized use of any Intellectual Property Rights of any third party.

15.4. If the Equipment and/or any services relating thereto do not comply with the warranties in this Agreement, Buyer may, at its option, and at Seller's expense: (a) return the applicable Equipment for credit or refund; or (b) require prompt correction or replacement of the defective or nonconforming Equipment and/or services. To the extent feasible to Buyer under the circumstances, Buyer may, at its option, accept Seller's repair or replacement of components or subassemblies of the Equipment. Without limiting the foregoing, should the Equipment fail to conform to the warranties set forth in this Paragraph 15, Buyer shall notify Seller and Seller shall, if requested by Buyer, reimburse Buyer for any incidental and consequential damages caused by such defective or nonconforming Equipment, including, but not limited to, costs, expenses, losses, attorney's or other professional fees incurred by Buyer: (a) in inspecting, sorting, repairing or replacing such defective or nonconforming Equipment; (b) resulting from production interruptions; and (c) for claims or litigation arising from death, injury or property damage caused by such defective or nonconforming Equipment. Seller agrees that the foregoing remedies are in addition to any other remedies provided elsewhere in this Agreement and remedies available under law or equity.

16. Access to Buyer's Plants and Properties. Seller shall, and cause Seller's subcontractors to, comply with all the rules and regulations established by Buyer for access to and activities in and around premises controlled by Buyer or Buyer's customer.

17. Indemnification.

17.1. Seller shall indemnify, defend and hold harmless Buyer and its customers, officers, directors, employees, contractors, predecessors and successors in interest, assigns, parents, subsidiaries, divisions, and agents (the "Buyer Indemnified Party") against all claims, suits, actions, awards, liabilities, damages, costs, attorney's fees and other professional fees (collectively, "Claims") for any death, injury or property damage relating to or arising out of the acts or omissions of Seller or its officers, directors, employees, contractors, representatives, or agents (the "Seller Indemnifying Party") under this Agreement, including without limitation any defect or alleged defect in the Equipment 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 Equipment, or any breach by the Seller Indemnifying Party of the representations and warranties under Paragraph 15.

17.2. 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 in connection with the Equipment and any services relating thereto, including such Claims where such infringement relates to or arises out of Seller's compliance with the Specifications or requirements of Buyer.

17.3. The Buyer Indemnified Party will duly notify Seller of any Claim and shall provide reasonable assistance to Seller, at Seller's expense, to enable Seller to defend the Claim. Buyer shall

have the right to reasonably reject counsel selected by Seller and the right to reject any settlement that would negatively impact Buyer as determined solely by Buyer. Unless otherwise provided herein, Buyer may, at its sole expense, actively participate in any suit or proceeding, through its own counsel.

17.4. Notwithstanding the foregoing, in the event of a product liability related claim, Buyer has the right, at Seller's reasonable expense, to conduct the defense of any such claim relating to the Equipment covered by this Agreement. Seller shall provide reasonable assistance, including technical expertise, to Buyer in conducting the defense of any such claim. Seller and Buyer shall communicate and cooperate with each other and, if required, with the appropriate insurance carrier, to the fullest extent reasonably possible in investigating the facts and circumstances surrounding any actual, potential or threatened product liability claim relating to the Equipment manufactured and sold under this Agreement and in litigating the matter.

18. Force Majeure. Neither Buyer nor Seller will be liable for any delay or failure to perform its obligations hereunder if, and to the extent that such delay or failure to perform is caused by an event or occurrence which is unforeseeable on issuance of the applicable purchase order, unavoidable, and beyond the reasonable control of the party and without its fault or negligence, including, but not limited to, acts of God, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, riots, explosions, epidemics, natural disasters, wars, sabotage, labor problems (including lockouts, strikes and slowdowns), inability to obtain power, material, labor, equipment or transportation, or court injunction or order; provided that written notice of such delay (including the anticipated duration of the delay) shall be given by the affected party to the other party within five (5) calendar days from the occurrence of this event. Buyer may terminate all or any part of this Agreement without liability upon written notice to Seller if such delay or failure to perform by Seller lasts more than thirty (30) calendar days.

19. Termination.

19.1. Termination for Insolvency. Buyer may immediately terminate all or any part of this Agreement by giving written notice to Seller in the event of the occurrence of any of the following or any other comparable events: (a) insolvency of Seller; (b) filing of a voluntary petition in bankruptcy by Seller; (c) filing of any involuntary petition in bankruptcy against Seller; (d) appointment of a receiver or trustee for Seller; or (e) execution of an assignment for the benefit of creditors by Seller, provided that such petition, appointment, or assignment is not vacated or nullified within fifteen (15) calendar days of such event. Seller shall reimburse Buyer for all cost incurred by Buyer in connection with any of the foregoing, including, but not limited to, all attorney's fee and other professional fees.

19.2. Termination for Breach or Nonperformance. Buyer may immediately terminate all or any part of this Agreement by giving written notice to Seller in the event of the occurrence of any of the following or any other comparable events: (a) Seller repudiates or breaches any of the terms of this Agreement, including Seller's warranties; (b) Seller fails to deliver the Equipment as specified by Buyer; or (c) Seller fails to make progress to the extent that in Buyer's reasonable belief it will endanger timely and proper delivery of the Equipment, and in all circumstances does not correct such failure or breach within ten (10) calendar days (or such shorter period of time if commercially reasonable under the circumstance) after receipt of written notice from Buyer specifying such failure or breach.

19.3. Termination for Sale of Assets or Change in Control. Buyer may immediately terminate all or any part of this Agreement upon giving at least thirty (30) days' notice to Seller, without liability to Seller, in the event of the occurrence of the following events: (a) Seller sells or leases, or offers to sell or lease, a material portion of its assets; or (b) Seller sells or exchanges, or offers to sell or exchange, or causes to be sold or exchanged, a controlling interest in the shares of Seller.

19.4. Termination for Force Majeure. Buyer may immediately terminate all or any part of this Agreement upon written notice to Seller as described in Paragraph 18. In the event of a termination due to force majeure, to the extent feasible to Buyer under the circumstances, Buyer may, at its option, accept and pay for components or subassemblies of the Equipment.

20. Insurance. Seller shall purchase and maintain insurance coverage with carriers acceptable to Buyer in the amounts adequate to meet the requirements of the laws and regulations of the U.S., foreign country, state, or other governmental division in which the work or any portion of work is performed and to ensure the performance of this Agreement and Seller's legal and stable operation. At Buyer's request, Seller shall furnish certified copies of certificates of insurance reflecting compliance with the requirements herein. Such certificates shall be kept current during the term and warranty period of this Agreement, and shall provide for thirty (30) calendar days' prior written notice to Buyer from the insurer of any termination or reduction in the amount or scope of coverage. Seller's furnishing of certificates of insurance or purchase of insurance shall not release Seller of its obligations or liabilities under this Agreement. By requiring insurance herein, Buyer does not represent that coverage and limits will necessarily be adequate to protect Seller.

21. Customs; Export Controls.

21.1. Credits or benefits resulting or arising from this Agreement, including trade credits, export credits or the refund of duties, taxes or fees, shall belong to Buyer. Seller shall provide all information necessary (including written documentation and electronic transaction records) to permit Buyer to receive such benefits or credits, as well as to fulfill its customs related obligations, origin marking or labeling requirements and local content origin requirements, if any.

21.2. Export licenses or authorizations necessary for the export of the Equipment to the delivery point shall be the responsibility of Seller unless otherwise indicated in this Agreement, in which event Seller shall provide such information as may be necessary to enable Buyer to obtain such licenses or authorizations. Seller shall undertake such arrangements as necessary for the Equipment to be covered by any duty deferral or free trade zone program(s) of the country of import.

22. Compliance with Laws. Seller, and all Equipment and services provided by Seller, shall comply with all applicable national, state, provincial, and local laws, ordinances, rules, and regulations, including those relating to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the Equipment and/or any services relating thereto, environmental matters, data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Seller warrants and represents that neither it nor any of its subcontractors will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of

the Equipment or provision of services under this Agreement. At Buyer's request, Seller shall certify in writing its compliance with the foregoing.

- 23. Kickbacks.** Seller represents, warrants, covenants and agrees that Seller and its directors, employees, agents, servants, representatives do not and will not give or ask to be given anything of value including, but not limited to, any money, goods or services to Buyer and its directors, employees, agents, servants or representatives, directly or indirectly, so as to influence objective and just business decisions to be made. Seller and Buyer are committed to conducting their business based on the principle of "fair dealing" and each agrees that it has established or will establish a system to ensure that itself and its directors, employees, agents, servants and representatives will not accept kickbacks or bribes or receive any commission or personal benefit without proper authorization.
- 24. Methode Supplier Code of Conduct.** Seller shall comply, and shall cause all of its subcontractors to comply, with Methode Supplier Code of Conduct and any applicable supplements in effect. Methode Supplier Code of Conduct is available online at <http://supplier.methode.com> or from Buyer's purchasing representative.
- 25. Audit.** In addition to any other inspection or audit rights granted to Buyer hereunder, Buyer, at its expense, may enter Seller's premises on reasonable notice and during normal business hours to inspect and audit Seller's books and records relating to Buyer's business to substantiate the charges invoiced under this Agreement (to the extent such amounts are charged on a time and materials basis). Seller agrees that such audit may be used as the basis for settlement of charges under this Agreement. Seller shall keep a separate account of the cost of all the Equipment or services provided under this Agreement in accordance with generally accepted accounting principles.

26. Miscellaneous.

- 26.1. Advertising.** Seller shall not, and shall require that its subcontractors shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has contracted to furnish Buyer the Equipment or services covered by this Agreement, or use any trademarks or trade names of Buyer in Seller's advertising or promotional materials.
- 26.2. No Implied Waiver.** The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver of either party of a breach of any provision of this Agreement constitute a waiver of any succeeding breach of the same or any other provision.
- 26.3. Assignment; Subcontracting; Successors.** Seller shall not assign or delegate any of its rights or obligations under this Agreement or subcontract any of its performance of this Agreement without Buyer's prior written consent. No assignment, delegation or subcontracting by Seller, with or without Buyer's consent, shall relieve Seller of any of its obligations under this Agreement or prejudice any of Buyer's rights against Seller whether arising before or after the date of any assignment, delegation or subcontracting. This Agreement is binding upon, inures to the benefit of, and is enforceable by, the parties and their respective successors and permitted assigns.
- 26.4. Relationship of Parties.** Seller and Buyer are independent contracting parties and nothing in this Agreement shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other.
- 26.5. Governing Law.** If Seller's headquarters are located in mainland China, this Contract and the arbitration provisions in Paragraph 26.6 shall be governed and construed in accordance with the laws of the People's Republic of China, without regard to its conflict of laws provision. If Seller's headquarters are located outside mainland China, this Contract and the arbitration provisions in Paragraph 26.6 shall be governed and construed in accordance with the laws of the country of England, without regard to its conflict of laws provision. The parties specifically disclaim application of the United Nations Convention on Contracts for the International Sale of Goods in both instances.
- 26.6. Dispute Resolution.** Buyer and Seller will attempt to settle any claim or controversy arising out of, or relating to, this Contract ("Dispute") through consultation and negotiation in good faith and spirit of mutual cooperation. Disputes will be resolved by the following process. The Dispute will be submitted in writing to a panel of two (2) senior executives of Buyer and Seller for resolution. If the executives are unable to resolve the Dispute within fifteen (15) days, either party may refer the Dispute to mediation, the cost of which will be shared equally by the parties, except that each party will pay its own attorney's fees. Within fifteen (15) days after written notice demanding mediation, the parties will choose a mutually acceptable mediator. Neither party will unreasonably withhold consent to the selection of the mediator. Mediation will be conducted in Hong Kong in accordance with the CEDR Model Mediation Procedure.

If the parties fail to mediate in accordance with Paragraph 26.6 or the Dispute cannot be resolved through mediation within sixty (60) days after the other party's receipt of the notice of Dispute, either party shall refer the Dispute to arbitration. If Seller's headquarters are located in mainland China, the Dispute shall be finally settled pursuant to the rules of the China International Economic and Trade Arbitration Commission Shanghai ("CIETAC") and the seat of the arbitration shall be Shanghai, People's Republic of China. If Seller's headquarters are located outside mainland China, the Dispute shall be finally settled pursuant to the Hong Kong International Arbitration Centre (HKIAC) and the seat of the arbitration shall be Hong Kong. In either case, the Dispute shall be decided in accordance with the applicable arbitral rules at the time of submission. Expedited or summary procedures under either rules shall not be applicable unless agreed to by the parties. The arbitral award is final and binding upon both parties. The arbitration tribunal shall consist of three (3) arbitrators. Each Party hereto shall appoint an arbitrator, and the third arbitrator (being the presiding arbitrator) shall be appointed by agreement between the parties hereto. In the event that the parties hereto fail to appoint the third arbitrator by mutual agreement within the required period, the third arbitrator shall be appointed by the applicable arbitration institution. The reasonable expense for the Dispute settlement including but not limited to the arbitral and legal fees shall be borne by the losing party and the arbitrators do not have the power to apportion any costs of the arbitration between the parties. The language of arbitration shall be English.

Nothing herein prevents either party from resorting directly to judicial proceedings if the Dispute relates to Intellectual Property Rights, or interim relief from a court is necessary to prevent serious harm not adequately reparable by an award of damages. With regards to any IP Dispute or such interim relief, if Seller's headquarters are located in mainland China, the parties each consent to the jurisdiction of the courts of Shanghai, People's Republic of China. If Seller's headquarters are located outside mainland China, the parties each consent to the jurisdiction of the courts of Hong Kong. Each party consents to service of process in accordance with applicable procedures and waives, to the fullest extent permitted by law, any defense or objection relating to in personam jurisdiction, venue or convenience of the forum.

Seller's performance under this Contract will not be suspended during the pendency of any Dispute.

- 26.7. Attorney Fees.** If Buyer brings an action or asserts a counterclaim for enforcement of the terms and conditions of this Agreement, Seller agrees that Buyer shall be entitled to an award of its reasonable attorney's fees and court costs associated with such enforcement or counterclaim proceedings.
- 26.8. Notice.** All notices and other communications required or contemplated under this Agreement must be written and signed by an authorized representative of the party providing such notice and be transmitted to the address specified in this Agreement by (i) personal delivery, (ii) expedited messenger service, (iii) registered or certified mail, postage prepaid and return receipt requested, (iv) electronic facsimile with confirmed answer back, or (v) electronic mail with confirmed answer back. Notices in conformity with the requirements of this Paragraph 26.8 will be deemed given upon receipt verified by the receiving party's acknowledgment.

- 26.9. Precedence.** In the event these terms and conditions are referenced in an agreement between the parties, the provisions of this Agreement shall prevail and control unless otherwise specifically provided by such agreement.
- 26.10. Severability.** If any term of this Agreement is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term shall be deemed reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule, and the remaining provisions of this Agreement shall remain in full force and effect.
- 26.11. Survival.** The warranties, representations, and obligations that expressly survive under this Agreement or that, by their nature or context, are intended to survive shall survive the termination or expiration of this Agreement, including, without limitation, the rights and obligations set forth in Paragraphs 12, 13, 14, 15 and 17.
- 26.12. Remedies.** Subject to any specific provisions in this Agreement, Seller shall be liable for any damages incurred by Buyer as a result of Seller's failure to perform its obligations in the manner required by this Agreement. The rights and remedies reserved to Buyer in this Agreement shall be cumulative, and additional to all other or further remedies provided in law or equity.
- 26.13. Setoff/Recoupment.** In addition to any right of setoff or recoupment provided by law, Buyer shall have the right to setoff against or to recoup from any amounts due to Seller from Buyer under this Agreement.
- 26.14. Entire Agreement.** This Agreement, including any attachments, appendixes, exhibits, or supplements specifically referenced in this Agreement and any purchase orders issued by Buyer hereunder, constitutes the entire agreement between Seller and Buyer with respect to the matter contained herein and supersedes all prior oral or written representations and agreements.
- 26.15. Amendment.** No amendment or modification of this Agreement shall bind either party unless it is in writing and signed by an authorized representative of Buyer and Seller.