

## LUTRON GL ELECTRONICS TRADING (SHANGHAI) CO., LTD. TERMS AND CONDITIONS OF SALE

**PLEASE READ THIS DOCUMENT CAREFULLY. IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS AND OBLIGATIONS, AS WELL AS LIMITATIONS AND EXCLUSIONS THAT MAY APPLY TO YOU.**

**1. Acceptance Of Orders/Terms:** All orders are subject to acceptance by Lutron GL Electronics Trading (Shanghai) Co., Ltd at Room 17T80, 17/F, No. 100 Century Avenue, World Financial Center, China (Shanghai) FTZ ("SUPPLIER"). SUPPLIER reserves the right to reject any order. Possession of a price list does not constitute an offer to sell. Acceptance of any order by SUPPLIER is expressly conditioned on a customer's ("Customer") assent to the terms and conditions set forth herein ("Terms") and the waiver by Customer of any terms and conditions contained in any order form, confirmation, or any other communication of Customer, whether previously or hereafter delivered to SUPPLIER, which either add to, differ from, modify, conflict with or are otherwise inconsistent with any term or condition herein. SUPPLIER hereby gives notice of its objection to any additional or different terms or conditions in any such order form, confirmation or communication. Customer's failure to object in writing to the Terms prior to the earlier of Customer's acceptance of the products ordered or fifteen (15) days after delivery thereof to Customer will constitute agreement by Customer to the Terms.

**2. Hold for Release Orders:** An order may be placed on a hold-for-release basis. Prices are firm for 3 months from date of order acceptance. The price of all hold-for-release orders not released by Customer for immediate shipment within 3 months from the date of order acceptance will be increased up to 10% over the initial order price to cover increased cost of labor and material. All hold-for-release orders not released for immediate shipment within 6 months from the date of order acceptance may be cancelled by SUPPLIER and subject to a 25% cancellation charge based on the price of the order.

**3. Product Changes:** SUPPLIER reserves the right to discontinue the manufacture or sale of any product ("Supplier Products"), which are not subject to any order from Customer, at any time or to alter, modify or redesign the Supplier Products.

**4. Use of Trademarks:** Customer shall use SUPPLIER's trademarks, logos or other identifiers in accordance with SUPPLIER's Corporate ID Guidelines and Style Guide found at [www.lutron.com/styleguide](http://www.lutron.com/styleguide).

**5. Price:** All prices are subject to change without notice. Should any governmental action or request prevent SUPPLIER from implementing any price or continuing any price already in effect, SUPPLIER may at its option cancel Customer's order or any part thereof.

**6. Taxes/Duties:** All prices are exclusive of value-added taxes. The value added taxes will be billed to Customer separately.

**7. Credit Approval:** Customer credit approval is required prior to any shipment. If SUPPLIER determines at any time that Customer's financial condition does not justify the extension of credit to Customer, then SUPPLIER may at its option require cash payments in advance or other satisfactory security prior to delivery.

**8. Cancellation/Change Orders:** Orders for standard Supplier Products may only be revised or canceled by Customer prior to the date of loading at the place of shipment, and only with SUPPLIER's prior consent. Orders for nonstandard or custom Supplier Products may only be revised or canceled by

Customer prior to the commencement of production, and only with SUPPLIER's prior consent. Any product that SUPPLIER has the capability of producing but does not inventory is considered a nonstandard or custom Supplier Product. All cancelled orders, whether for standard Supplier Products or nonstandard or custom Supplier Products, shall be subject to a cancellation charge of 25% of the order price. If not cancelled as provided herein, Customer shall be liable for the full order price.

**9. Packaging/Shipping/Risk of Loss:** Unless otherwise agreed by SUPPLIER in writing, SUPPLIER shall select the method of shipment and carrier. Costs for special packaging and/or handling requested by Customer shall be the responsibility of Customer. Unless the parties otherwise agree, risk of loss and the allocation of costs and expenses in connection with shipment shall be in accordance with the Incoterms set forth in the applicable purchase order. Title is deemed to transfer at the same point where risk transfers under the Incoterms used, unless otherwise stipulated in a sales contract

**10. Title:** Title to Supplier Products shall only pass to Customer upon the occurrence of any one of the following events: (i) Customer having paid to SUPPLIER all sums (including any default interest, if applicable) due from it to SUPPLIER under the applicable invoice between SUPPLIER and Customer and SUPPLIER having received such payment as defined in the Terms, or (ii) SUPPLIER serving Customer a notice in writing specifying that title to Supplier Products has passed. Until title to Supplier Products has passed to Customer as set forth herein, Customer shall possess Supplier Products as a fiduciary and bailee of SUPPLIER. If SUPPLIER so requires, Customer shall store Supplier Products separately from other goods and shall ensure that they are clearly identifiable as belonging to SUPPLIER. SUPPLIER may recover Supplier Products in respect of which title has not passed to Customer at any time and Customer irrevocably licenses SUPPLIER, its officers, employees and agents to enter upon any premises of Customer, with or without vehicles, for the purpose either of recovering goods in respect of which title has not passed to Customer or confirming that the Supplier Products are being stored and/or identified as required by SUPPLIER.

**11. Delivery:** Quoted shipping and/or delivery dates are based on estimates at the time of order. SUPPLIER shall use reasonable commercial efforts to meet such shipping and/or delivery dates, but SUPPLIER shall not be liable for any direct or indirect costs or damages, including without limitation, incidental or consequential damages, resulting from late deliveries and the parties acknowledge that such incidental and consequential damages cannot be foreseen by the parties as of the date thereof. Except as expressly provided otherwise herein, Customer agrees to purchase and pay for all material ordered as specified on SUPPLIER's invoice.

**12. Claims for Loss, Damage or Shortage:** Any claims for damage, loss or shortage should be filed by Customer with the respective transportation carrier in writing immediately upon receipt of Supplier Products. In no event shall SUPPLIER be liable for damage or loss to a shipment caused by a carrier. If shortage exists with respect to any shipment and it is not concealed, Customer shall secure a notation of such shortage from the carrier on the freight bill or delivery receipt. If shortage is concealed, Customer must notify the carrier and SUPPLIER within 15 days. No claims for damage, loss or shortage will be allowed unless they are accompanied by an inspection report or signed delivery receipt noting such damage, loss or shortage signed by a representative of the carrier and forwarded to SUPPLIER within 30 days of the invoice date.

**13. Return of SUPPLIER PRODUCT:** Customer may return new and unopened Supplier Products in accordance with SUPPLIER's Returned Goods Policy in effect on the date each order is accepted and as

authorized by SUPPLIER on a Return Good Authorization, with the exception of non-standard, custom Supplier Products and metal wall plates that are not returnable. Customer will be charged a minimum restocking charge of 25% of the cost of the returned goods and shall be responsible for freight to return the Supplier Products. SUPPLIER's Returned Goods Policy may be found in SUPPLIER's Price List as well as at <http://www.lutron.com/en-US/general/Pages/Terms-ConditionsofSale/Terms-Conditions-of-Sale.aspx>. SUPPLIER reserves the right to amend its Returned Goods Policy from time to time.

**14. Payment:** All invoices, whether partial or in full, shall be due and payable in full by Customer pursuant to the terms set forth thereon. Invoices not timely paid are subject to an interest charge of 1.5% per month on any unpaid balance or the maximum rate allowed by law, which interest charges shall accrue beginning on the invoice due date. If Customer (i) becomes insolvent, files or has been filed against it a petition for bankruptcy, makes any assignment for the benefit of creditors, or has a receiver or trustee appointed for it or its property, (ii) takes action to liquidate or otherwise cease doing business as a going concern, (iii) undergoes a change in ownership, (iv) fails to provide adequate assurance or security for credit extended, or (v) takes any other action that SUPPLIER determines in its sole discretion adversely impacts the conditions under which credit was extended, then all amounts outstanding from Customer hereunder shall at SUPPLIER's option become immediately due and payable. ALL PAYMENTS, WHETHER UNDER THE STANDARD PAYMENT TERMS OR OTHERWISE, SHALL BE CONSIDERED RECEIVED BY SUPPLIER AS FOLLOWS: (A) FOR PAYMENTS BY CHECK, WHEN THE CHECK IS RECEIVED AT SUPPLIER'S DESIGNATED PAYMENT LOCATION, AND (B) FOR PAYMENTS BY ELECTRONIC FUNDS TRANSFER, THE BUSINESS DAY ON WHICH THE FUNDS ARE IMMEDIATELY AVAILABLE TO SUPPLIER. Customer shall pay all undisputed invoices regardless of any dispute that may exist as to other delivered or undelivered goods. With respect to any disputed invoice, Customer shall pay all amounts not in dispute. Customer expressly waives the right to assert any offset or counterclaim with respect to amounts due under any invoice issued by SUPPLIER hereunder.

**15. SUPPLIER Obligations/Limitation of Liability:** SUPPLIER PRODUCTS DELIVERED HEREUNDER AND ALLEGED TO BE DEFECTIVE OR OTHERWISE OPENED AND THEN RETURNED TO CUSTOMER BY AN ENDUSER MAY BE RETURNED BY CUSTOMER TO SUPPLIER FOR A PERIOD UP TO ONE (1) YEAR FROM THE DATE OF SALE BY CUSTOMER TO END-USER. UPON RETURN OF SUPPLIER PRODUCTS BY CUSTOMER, SUPPLIER MAY ELECT, AT ITS SOLE OPTION, TO RETURN THE CONSIDERATION PAID BY CUSTOMER TO SUPPLIER FOR SUCH RETURNED PRODUCTS OR TO DELIVER CONFORMING PRODUCTS TO CUSTOMER. THE PRODUCT-SPECIFIC WRITTEN WARRANTIES PROVIDED IN OR WITH THE SUPPLIER PRODUCTS ARE INTENDED EXCLUSIVELY FOR THE BENEFIT OF THE END-USER AND NOT CUSTOMER.

UNLESS OTHERWISE REQUIRED AND LIMITED BY APPLICABLE LAWS, THE FOREGOING IS THE ONLY OBLIGATION OF SUPPLIER TO CUSTOMER RELATING TO DEFECTIVE PRODUCTS AND IS IN LIEU OF ALL OTHER OBLIGATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, ORAL OR WRITTEN, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**IN NO EVENT, SHALL SUPPLIER BE RESPONSIBLE FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT OR SPECIAL DAMAGES OF ANY KIND AS SUCH DAMAGES CANNOT BE FORESEEN BY PARTIES AS OF THE DATE THEREOF.**

**16. Remedies of Customer: UNLESS OTHERWISE REQUIRED AND LIMITED BY APPLICABLE LAWS, THE SOLE AND EXCLUSIVE REMEDY OF CUSTOMER AND THE SOLE AND EXCLUSIVE OBLIGATION OF SUPPLIER FOR ANY BREACH OF CONTRACT CLAIM THAT SUPPLIER PRODUCTS DELIVERED DO NOT**

**OTHERWISE CONFORM TO THE ACCEPTED ORDER SHALL BE EITHER THE RETURN OF CONSIDERATION PAID BY CUSTOMER TO SUPPLIER RELATED TO THE BREACH, OR UPON SUPPLIER'S ELECTION, THE DELIVERY OF CONFORMING SUPPLIER PRODUCTS TO CUSTOMER. WITH RESPECT TO SUPPLIER'S NONCOMPLIANCE WITH ANY OTHER OBLIGATION OF SUPPLIER HEREUNDER, THE SOLE AND EXCLUSIVE REMEDY OF CUSTOMER AND THE SOLE AND EXCLUSIVE OBLIGATION OF SUPPLIER WILL BE AS SUPPLIER IN ITS DISCRETION WILL DETERMINE AS FOLLOWS: (1) SUPPLIER MAY ELECT TO CURE SUCH NONCOMPLIANCE WITHIN A REASONABLE PERIOD OF TIME, OR (2) IF SUPPLIER FAILS TO CURE SUCH NONCOMPLIANCE, CUSTOMER MAY RECOVER AN EQUITABLE AMOUNT NOT TO EXCEED SUCH CHARGES AS WERE PREVIOUSLY PAID TO SUPPLIER BY CUSTOMER RELATING TO THE BREACH.**

**CUSTOMER WAIVES ALL OTHER REMEDIES, STATUTORY OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, THE REMEDIES OF SPECIFIC PERFORMANCE AND REPLEVIN.**

CUSTOMER MUST NOTIFY SUPPLIER IMMEDIATELY AFTER IT LEARNS OF ANY BREACH IN CONNECTION WITH SUPPLIER'S PERFORMANCE HEREUNDER.

**SUPPLIER'S LIABILITY TO CUSTOMER, REGARDLESS OF WHETHER SUCH LIABILITY ARISES IN CONTRACT, TORT (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, SHALL IN NO EVENT EXCEED AMOUNTS PAID BY CUSTOMER TO SUPPLIER FOR THE SUPPLIER PRODUCTS INVOLVED, AND CUSTOMER RELEASES SUPPLIER FROM ALL CLAIMS AND LIABILITIES IN EXCESS OF THIS LIMITATION, UNLESS OTHERWISE REQUIRED AND LIMITED BY APPLICABLE LAWS.**

**IN NO EVENT SHALL SUPPLIER BE RESPONSIBLE FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT OR SPECIAL DAMAGE OF ANY KIND, WHICH ARE UNFORESEEABLE AS OF THE DATE OF THIS CONTRACT.**

**17. Excused Performance:** SUPPLIER shall be under no liability for any failure to perform any of its obligations under the Terms or any contract if and to the extent that the failure is caused by reason of any cause outside the control of SUPPLIER. Delivery suspended or not made by reason of force majeure shall be canceled without liability, but the Terms shall otherwise remain unaffected. SUPPLIER may allocate its available supply of Supplier Products or materials among itself and its customers in its sole discretion and without liability to Customer.

**18. Compliance with Laws, Regulations & Orders:** Customer warrants that it will comply at all times with all applicable laws, ordinances, rules and regulations and when requested, shall furnish evidence to SUPPLIER of such compliance, including without limitation U.S. laws and regulations relating to foreign corrupt practices.

Customer acknowledges and agrees that Supplier Products may be subject to trade control laws, including the export control and economic sanctions laws of the United States, Canada, the European Union, and/or other jurisdictions, which may restrict the export of products from the United States and their re-export from other countries. Customer will comply with all applicable laws and regulations in the performance of these Terms and in the import, export, re-export, shipment, transfer, sale, use, operation, maintenance, or repair of Supplier Products and any related technology and services. Customer hereby specifically acknowledges and confirms that it will not distribute or otherwise transfer Supplier Products or engage in the provision of technical support or other services, directly or indirectly through third parties or otherwise, to jurisdictions that may now or in the future be subject to U.S. territorial sanctions, including Cuba, Iran, North Korea, Sudan, Syria, or the Crimea region of the

Ukraine. Despite anything to the contrary in these Terms, SUPPLIER shall not be required to act in any way that is prohibited by applicable trade control laws. It shall be in the sole discretion of SUPPLIER to refrain from being directly or indirectly involved in the provision of Supplier Products, goods, services and/or technology that may be prohibited by applicable trade control laws.

Customer represents and warrants that neither Customer, nor any parent, subsidiary, affiliate, or associated company of Customer, is included on any of the restricted party lists maintained by the U.S. Government, including the Specially Designated Nationals List and Foreign Sanctions Evaders List administered by the US Department of Treasury's Office of Foreign Assets Control; Denied Parties List, Unverified List or Entity List maintained by the US Department of Commerce's Bureau of Industry and Security; or the List of Statutorily Debarred Parties maintained by the US Department of State's Directorate of Defense Trade Controls (collectively, "Restricted Party Lists"); and is not owned or controlled by any Restricted Party. Customer shall immediately notify SUPPLIER if Customer, any parent, subsidiary, affiliate or associated company of Customer becomes listed on any Restricted Party List or owned or controlled by Restricted Parties. Customer hereby acknowledges and confirms that, unless specifically authorized in these Terms and under applicable trade control laws, it will not sell, export, re-export, transfer or re-transfer any Supplier Products or any related technology or services that are sold or otherwise provided hereunder (including samples), directly or indirectly through third parties or otherwise, to any company or individual on the Restricted Party List.

**19. Entire Agreement:** The terms and conditions contained herein constitute the entire agreement between SUPPLIER and Customer and supersede any and all prior agreements, whether oral, written or implied, except as otherwise expressly provided in a distributor agreement or other written agreement between SUPPLIER and Customer. **SUPPLIER SHALL HAVE THE RIGHT TO MODIFY THESE TERMS AND CONDITIONS CONTAINED HEREIN AT ANY TIME BY SENDING A WRITTEN NOTIFICATION TO CUSTOMER AT CUSTOMER'S LATEST ADDRESS IN SUPPLIER'S FILE. THE MODIFIED TERMS AND CONDITIONS SHALL BECOME EFFECTIVE AUTOMATICALLY ON THE SIXTEENTH BUSINESS DAY AFTER THE SUPPLIER'S SENDING OF THE WRITTEN NOTIFICATION, AND SHALL ONLY APPLY TO ANY PURCHASE ORDERS PLACED BY CUSTOMER AFTER THE MODIFICATIONS BECOME EFFECTIVE.**

20. General: These Terms shall not be assigned by Customer without the prior written consent of SUPPLIER, and any assignment made without such consent shall be null and void. These Terms shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assignees. These Terms shall be governed by and construed in accordance with the laws of the People's Republic of China. Any dispute arising from these Terms shall be settled through friendly consultations between SUPPLIER and Customer, failing which either party may initiate a lawsuit before the people's court in Shanghai having personal jurisdiction over SUPPLIER.