

## LUTRON CN S DE R.L. DE C.V.. TERMS AND CONDITIONS OF SALE

**1. Acceptance Of Orders/Terms:** All orders are subject to acceptance by Lutron CN S de R.L. de C.V. ("SUPPLIER") at Av. Rudyard Kipling 11530, Complejo Industrial Chihuahua, Chihuahua, Mexico. 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 Customer's 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. Customer's acceptance of the products ordered without objection shall constitute acceptance of these Terms and waiver of any other terms or conditions. Customer's failure to object in writing to these 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 these Terms and waiver by Customer of any other terms or conditions. SUPPLIER hereby gives notice of its objection to any additional or different terms or conditions in any such order form, confirmation or communication.

**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 by SUPPLIER. 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, without necessity of judicial intervention, order, decree or sentence or arbitral award, 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 Product") at any time or to alter, modify or redesign the Supplier Products.

**4. Use of Trademarks and other Intellectual Property.** SUPPLIER represents and warrants that it owns or licenses all right, title and interest in all trademarks, logos, other identifiers, and other intellectual property (collectively "Intellectual Property") necessary for Customer to purchase, sell and use the Supplier Products. Customer has no rights to use SUPPLIER's Intellectual Property without the advance written approval of SUPPLIER, in which event Customer shall use SUPPLIER's Intellectual Property only in accordance with SUPPLIER's current written guidelines. Customer agrees and shall be obligated to sign the documents that SUPPLIER may request it to sign in regard to any such authorized use. As sole owner of such Intellectual Property, SUPPLIER shall be entitled to patent, register, assign, copy, use, disclose, commercially market or otherwise deal with all or any part thereof as it may choose, without any interference from Customer. In addition, Customer agrees to refrain from editing, photocopying or reproducing by any means, directly or indirectly, partially or totally, the Intellectual Property. Customer shall promptly return to SUPPLIER all Intellectual Property that is in written or electronic form, without retaining any copies, as well as all of the notes and reproductions of the same. Customer agrees to be liable for any breach of these obligations by its employees, agents or representatives and agrees further that SUPPLIER shall be entitled to preventative measures in addition to all other remedies available to it for any breach. The rights and obligations of the parties under this paragraph shall survive any expiration of this document or of the relationship between SUPPLIER and Customer. Customer acknowledges and agrees that any unauthorized use, retention, misuse or misappropriation of the Intellectual Property will be deemed to be, unless proven otherwise, as an act or omission whose purpose is to gain an economic benefit over, or to cause damage to, SUPPLIER and/or its affiliates.

**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 federal, state or local sales, use or other taxes, as well as all duties, import fees or other assessments, all of which are the responsibility of Customer.

**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 written 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 written consent. Any product which SUPPLIER has the capability of producing but does not inventory is considered a nonstandard or custom 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 (i) SUPPLIER shall select the method of shipment and carrier, and (ii) costs for shipping shall be billed to Customer in accordance with the carrier's then current price list. Costs for special packaging and/or handling requested by Customer shall be the responsibility of Customer. The risk of loss, damage or shortage of Supplier Products shall pass to Customer upon delivery to the carrier regardless of notice to Customer. SUPPLIER assumes no responsibility for insuring shipments unless specifically agreed to in writing by SUPPLIER, in which case the cost of insurance shall be for Customer's account. SUPPLIER shall be responsible for importation of Supplier Product into Mexico and compliance with applicable certifications and standards relating to Supplier Product.

**10. Title:** Title to the Supplier Products shall only pass to the Customer upon the occurrence of one of the following events: (i) the Customer having paid to the SUPPLIER all sums (including any default interest, if applicable) due from it to the SUPPLIER under the applicable invoice between the SUPPLIER and the Customer and SUPPLIER having received such payment as defined in these Terms, or (ii) the SUPPLIER serving on the Customer notice in writing specifying that title to the Supplier Product has passed. From the moment of receipt by Customer of the Supplier Products and until title to the Supplier Product has passed to the Customer as set forth herein, the Customer shall possess the Supplier Product as a Depository ("*Depositario*"), Fiduciary and Bailee of the SUPPLIER. The Depository acknowledges from this moment that it has received the Supplier Products and declares that it is aware of its obligations and of the civil and criminal liabilities in which it may incur in the exercise of such obligations. If the SUPPLIER so requires, Customer shall store the Supplier Product separately from other goods and shall ensure that they are clearly identifiable as belonging to the SUPPLIER. The SUPPLIER may recover Supplier Product in respect of which title has not passed to Customer at any time.

**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. 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 the 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 are forwarded to SUPPLIER, duly documented and supported, within 30 days of the invoice date.

**13. Return of Supplier Product:** Customer may return new and unopened Supplier Product as authorized by Supplier on a Return Good Authorization, with the exception of non-standard, custom Products and metal wall plates which 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 and duties to return the Supplier Product.

**14. Payment:** All invoices, whether partial or in full, shall be due and payable in full by Customer in Dollars, legal currency of the United States of America, unless otherwise specified on the corresponding invoice, within the time period and upon the terms stated in each invoice preferably by wire transfer as specified on

the corresponding invoice and pursuant to the terms set forth thereon or at Lutron CN S de R.L. de C.V., c/o RSM Bogarin, Erhard, Padilla, Alvarez & Martinez, S.C., Blvd. Manual Avila Camacho No. 76, 1er. Piso, Col. Lomas de Chapultepec, C.P. 11000 Mexico D.F. 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 filed against it a petition in 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 without necessity of judicial intervention, order, decree or sentence or arbitral award. 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 Supplier Product. 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:** NO GUARANTEE IS EXTENDED TO CUSTOMER BY SUPPLIER FOR SUPPLIER PRODUCTS. THE PRODUCT-SPECIFIC WRITTEN WARRANTIES PROVIDED IN OR WITH THE SUPPLIER PRODUCT ARE EXCLUSIVELY FOR THE BENEFIT OF THE END-USER AND NOT CUSTOMER. SUPPLIER PRODUCT DELIVERED HEREUNDER AND ALLEGED TO BE DEFECTIVE OR OTHERWISE OPENED AND THEN RETURNED TO CUSTOMER BY AN END-USER 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 PRODUCT BY CUSTOMER, SUPPLIER MAY ELECT, AT ITS SOLE OPTION, TO RETURN THE CONSIDERATION PAID BY CUSTOMER TO SUPPLIER FOR SUCH RETURNED PRODUCT OR TO DELIVER CONFORMING PRODUCTS TO CUSTOMER. CUSTOMER SHALL BEAR ALL COSTS OF SHIPPING THE SUPPLIER PRODUCT TO SUPPLIER'S DESIGNATED FREIGHT FORWARDER. SUPPLIER SHALL BEAR ALL COSTS OF SHIPPING THE PRODUCT FROM THE FREIGHT FORWARDER TO SUPPLIER'S FACILITY IN THE UNITED STATES. 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, AND CUSTOMER EXPRESSLY AND SPECIFICALLY HEREBY WAIVES ALL OTHER REMEDIES, OBLIGATIONS, WARRANTIES AND RECOURSE. IN NO EVENT SHALL SUPPLIER BE RESPONSIBLE FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT OR SPECIAL DAMAGES OF ANY KIND.

**16. Remedies of Customer:** 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 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: (1) SUPPLIER MAY ELECT TO CURE SUCH NONCOMPLIANCE WITHIN A REASONABLE PERIOD OF TIME, OR (2) CUSTOMER MAY RECOVER AN EQUITABLE AMOUNT NOT TO EXCEED SUCH CHARGES AS WERE PREVIOUSLY PAID TO SUPPLIER BY CUSTOMER RELATING TO THE BREACH, IF SUPPLIER FAILS TO CURE SUCH NONCOMPLIANCE WITHIN A REASONABLE PERIOD FOLLOWING ITS RECEIPT OF NOTICE OF NONCOMPLIANCE. CUSTOMER EXPRESSLY WAIVES ALL OTHER REMEDIES, OBLIGATIONS, WARRANTIES AND RECOURSE, STATUTORY OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, THE REMEDIES OF SPECIFIC PERFORMANCE AND REPLEVIN. ANY ACTION BROUGHT BY CUSTOMER IN CONNECTION WITH SUPPLIER'S PERFORMANCE HEREUNDER MUST BE COMMENCED WITHIN SIX (6) MONTHS AFTER SUCH CAUSE OF ACTION ACCRUES OR IT WILL BE DEEMED WAIVED. SUPPLIER'S LIABILITY TO CUSTOMER, REGARDLESS OF WHETHER SUCH

**LIABILITY ARISES IN CONTRACT, TORT (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, SHALL BE LIMITED AND 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. IN NO EVENT SHALL SUPPLIER BE RESPONSIBLE FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT OR SPECIAL DAMAGES OF ANY KIND.**

**17. Excused Performance:** SUPPLIER shall be under no liability for any failure to perform any of its obligations under these Terms or any contract if and to the extent that the failure is caused by reason of any cause outside the control of the SUPPLIER. Delivery suspended or not made by reason of force majeure shall be canceled without liability and without necessity of judicial intervention, order, decree or sentence or arbitral award, 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 exports, export controls, and foreign corrupt practices.

**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. No modification of these terms and conditions shall be effective unless made in writing and executed by SUPPLIER.

**20. General:** This agreement 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 assigns. These Terms will be governed by the laws of the United Mexican States, without giving effect to principles of conflicts of law. Notwithstanding the foregoing, these Terms shall not be governed by or construed under the United Nations Convention on Contracts for the International Sale of Goods (CISG). In the event of any disputes that might arise under or derive from these Terms, the Customer expressly waives the right to any other jurisdiction and agrees to submit to the jurisdiction of the competent courts of the Federal District of Mexico.