GENERAL TERMS AND CONDITIONS OF PURCHASE

1. General

The following General Terms and Conditions of Purchase (the "T & C") shall apply exclusively over the relationship of the parties, the delivery of products, and the provision of services of any kind, between the supplier ("Supplier"), Phoenix Contact USA, Inc. and Phoenix Contact Development and Manufacturing, Inc., (collectively, "Phoenix Contact"). The delivery of products and services shall hereinafter be collectively known as the "Products". Any other terms that conflict with or differ from those contained in this T & C shall not be accepted by Phoenix Contact unless expressly agreed to in writing; regardless of whether or not Phoenix Contact accepts the Products without reservation and/or pays for the Products with an awareness of the conflicting or deviating terms of the Supplier. For the avoidance of doubt, Phoenix Contact expressly rejects the terms and conditions of the Supplier, notwithstanding any language to the contrary in the Supplier's quotation or invoicing documents.

2. Confidentiality/Non-Disclosure

The Supplier shall keep all illustrations, drawings, calculations, or any other documentation, including but not limited to all information transmitted in writing, in text form, or verbally, strictly confidential. Such information may only be disclosed to third parties with the express written consent of Phoenix Contact. The obligation of confidentiality and non-disclosure shall continue and shall expire only when the confidential information contained in the submitted illustrations, drawings, calculations, and any other documents enters the public domain. This obligation also applies to any agents or third parties contracted by the Supplier. Additionally, any applicable non-disclosure agreement signed by the parties shall apply to this T & C.

3. Prices, Shipment and Packaging

(1) The prices agreed upon in any individual supply agreement, development agreement (collectively, the "Agreement"), quote, purchase order, acceptance document, purchase contract, or blanket order, (collectively, the "Ordering Documents"), between Phoenix Contact and the Supplier shall be fixed prices, including any incidental costs plus applicable statutory turnover tax. Such prices shall exclude additional claims of any kind.

(2) Any supplier-issued dispatch notes, packing slips, letters of consignment, invoices, and any correspondence shall include Phoenix Contact's order number.

(3) Phoenix Contact shall only be required to accept those volumes or quantities which are specifically ordered. Over or under-deliveries or partial deliveries are only acceptable upon prior written authorization by Phoenix Contact.

(4) The delivery or performance of the Supplier shall be FOB Destination, if the shipment is domestic and DDP (Inco terms 2010) if the shipment is international, to the shipping address and/or place of delivery indicated by Phoenix Contact in any Agreement or Ordering Documents.

(5) The Supplier shall use 100% recyclable or biodegradable packaging materials unless otherwise agreed to in writing by Phoenix Contact.

4. Delivery Period

(1) The delivery dates agreed upon in the Ordering Documents shall be binding. In determining compliance with the delivery date or delivery period, the Products will be deemed to be delivered if Phoenix Contact receives them, with no defects, at the shipping address indicated by Phoenix Contact and/or place of delivery specified by Phoenix Contact or complete and unreserved acceptance through Phoenix Contact.

(2) If the Supplier realizes that an agreed deadline or the agreed quality cannot be provided for whatever reason it shall immediately inform Phoenix Contact, in writing, stating the reasons and the expected duration of the delay.

(3) In the event the Supplier fails to meet the delivery date specified in the applicable Ordering Documents ("Default") the Supplier acknowledges that the actual damages likely to result are difficult to determine and accurately specify. Therefore, the Supplier agrees that if a Default occurs, it shall pay Phoenix Contact, as liquidated damages and not as a penalty, compensation amounting to a minimum of $200.00 and up to a maximum of 5 % of the value of the Products under the applicable Agreement or Ordering Documents, for each day that the Supplier is in Default. The liquidated damages provided for herein shall be in lieu of all liability for extra costs, losses, expenses, claims, penalties, and other damages incurred by Phoenix Contact resulting from the Supplier's Default.

(4) If Phoenix Contact chooses to set a grace period for the delivery of the Products, and such grace period expires, Phoenix Contact shall also be entitled to the rights stated in subsection 3 above.

(5) In the event the Supplier delivers the Products before the agreed-upon delivery date, Phoenix Contact shall reserve the right to refuse acceptance or return them at the Supplier's expense. If the Products are not returned or if acceptance is not refused after a delivery ahead of schedule, Phoenix Contact shall store the Products at the expense and risk of the Supplier until the date of delivery. In any event, the payment deadline shall only commence at the agreed-upon delivery date.

5. Force Majeure

Force Majeure shall apply to this T & C and to any applicable Agreement or Ordering Document. Force Majeure is defined as being an event beyond the reasonable control of Phoenix Contact or the Supplier and without the fault or negligence of Phoenix Contact or the Supplier, which prevents a party from complying with any of its obligations, including but not limited to: (a) act of God (such as, but not limited to, fires, explosions, earthquakes, drought, tidal waves and floods); (b) war, hostilities (whether war be declared or not), invasion, act of foreign enemies, mobilization, requisition, or embargo; (c) rebellion, revolution, insurrection, or military or usurped power, or civil war; (d) contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel, radio-active toxic explosive, or other hazardous properties of any explosive nuclear assembly or nuclear component of such assembly; (e) riot, commotion, strikes, go slows, lock outs or disorder, unless solely restricted to employees of the Supplier or of his subcontractors; or (f) acts or threats of terrorism.

Force majeure shall exempt the affected party from its obligations of performance for the duration of the interference and to the extent of its impact.

6. Invoicing, Payments, and Assignment of Claims

(1) Following the delivery of the Products, invoices shall be submitted via email to Phoenix Contact at US-accountspayable@phoenixcontact.com. Only after receipt of a proper invoice, meeting the requirements set forth in this subsection (1), shall Phoenix Contact be obligated to pay for the Products within the agreed-upon payment terms contained herein.

(2) Phoenix Contact will make payment in net 45 calendar days, calculated after delivery/performance and date of receipt of invoice unless Phoenix Contact agrees to different terms in the applicable Agreement or Ordering Documents.

(3) In the event of faulty delivery/performance, Phoenix Contact shall be entitled to withhold payment in an amount proportionate to the value until proper fulfillment occurs.

(4) With advance payments, the Supplier is obligated, upon request of Phoenix Contact, to provide an adequate security (e.g. an unlimited directly enforceable bond or bank letter of credit or guarantee in the amount of the advance payment).

(5) If the Agreement calls for the provision of material test certificates (e.g., acceptance test certificates), the Supplier shall provide the certificates to Phoenix Contact together, with, or before the delivery of the Products.

(6) The Supplier shall not assign any claims for the collection of monies due under an invoice to a third party unless such activity is mandated by a court.

(7) Phoenix Contact shall be entitled to offset claims against the Supplier for itself or on behalf of any subsidiary, parent, or related company of Phoenix Contact.

7. Phoenix Contact Provided Materials and Parts

(1) Phoenix Contact reserves the right and title of ownership to any and all parts and components, whether free of charge or sold to the Supplier, provided exclusively for the performance under the applicable Agreement or Ordering Documents.

(2) The parts and components provided by Phoenix Contact shall be exclusively used for processing and fulfilling any applicable Agreement or Ordering Documents with Phoenix Contact and the Supplier shall not have the right to resell them. In case of a decrease in value or loss of the parts and components, the Supplier must provide compensation for damages. Phoenix Contact reserves the right to receive a semi-annual inventory or equipment reconciliation from the Supplier, as requested by Phoenix Contact's Strategic Buyer.

(3) Tooling Arrangements / Phoenix Contact-Furnished Property:

(a) If applicable, any tools, machines, jigs, molds, dies, patterns, equipment, material and similar items required for manufacturing and testing of parts to be provided to the Supplier ("Tooling") shall not be used by the Supplier on any other work without the prior written consent of Phoenix Contact. If applicable, the Supplier shall provide tools as

described in the Request for Quote ("RFQ") specification requested by Phoenix Contact.

(b) The responsibility for designing the Tooling shall lie exclusively with the Supplier, and such design must be approved by Phoenix Contact prior to building. The Tooling and such drawings/documents become the property of Phoenix Contact upon final payment by Phoenix Contact to the Supplier. The Supplier will provide electronic 2-D CAD drawings in ".dxf" format, and 3-D geometry in Creo or SolidWorks and ".step214" format to Phoenix Contact before final payment.

(c) The Tooling shall not be modified in any way unless prior written authorization is obtained from Phoenix Contact. The Supplier shall adhere to Phoenix Contact's design and technical specifications and guarantee compliance with such specifications.

(d) Shall the Supplier fail to complete the Tooling for reasons beyond the control of Phoenix Contact; the full amount of any deposit paid by Phoenix Contact to the Supplier shall be returned to Phoenix Contact within thirty (30) days of termination of the applicable Agreement.

(e) The Tooling costs shall include (i) all costs associated with the Tooling design, construction, conditioning, and sampling; (ii) proprietary notice labeling on all the Tooling (see subsection (f)); (iii) any fixturing or other Tooling necessary to ensure the functionality of molds; and (iv) storage costs (see subsection (g)).

(f) Title to the Tooling shall remain with Phoenix Contact and the Supplier shall preserve Phoenix Contact's title thereto free and clear of all encumbrances. The Supplier agrees to promptly apply a proprietary notice to the Tooling. Such labeling must be clearly visible, legible, and secured against non-destructive removal. The label, at a minimum, shall include the following information: (i) "Property of Phoenix Contact" and (ii) Phoenix Contact's fixed asset number. Should the Supplier fail to properly label and preserve Phoenix Contact's title to the Tooling, and as a result, the Tooling is compromised, the Supplier shall reimburse Phoenix Contact for the full value of the Tooling.

(g) The Supplier shall, at its expense, store in a suitable environment, as well as perform all maintenance, repairs, and replacements necessary with respect to the Tooling so that the same may remain suitable for the use contemplated by the applicable Agreement between the parties and may be returned to Phoenix Contact in as good condition as when received, except for reasonable wear and tear or consumption of materials necessarily resulting from its use.

(h) The Supplier shall be obligated to bear all risks regarding loss of or damage to the Tooling while in the Supplier's care and control. For this purpose, the Supplier shall obtain adequate insurance coverage for the replacement cost of the Tooling against theft or damage and shall provide Phoenix Contact with a copy of the policy as proof. The Supplier must determine and document the insured value of all Tooling annually. Upon request, Phoenix Contact shall be informed of the insured value.

(i) The Supplier waives any and all claims relating to loss, damage, injury, or delay arising out of or related to the Tooling and the Supplier shall indemnify Phoenix Contact against any and all liability for damage to property or injury to or death of persons arising from or incidental to the presence or use of the Tooling, whether such damage, injury or death be caused by defects in such property, negligence in the use thereof, strict liability or otherwise.

(j) The Supplier is obligated to return the Tooling to Phoenix Contact, upon ten (10) days written notice and at the expense of Phoenix Contact. The Supplier shall not impede Phoenix Contact in removing the Tooling from the Supplier's premises. Prior to the removal of the Tooling, Phoenix Contact reserves the right to visit the Supplier's premises and inspect the Tooling and relevant maintenance and repair records in order to reach an agreement between the Supplier and Phoenix Contact on the actual condition of the Tooling. After reaching an agreement, the Supplier shall reimburse Phoenix Contact upon request for the replacement cost of Phoenix Contact's property that was not in good condition or that cannot be accounted for to Phoenix Contact's satisfaction. Phoenix Contact shall be responsible for the maintenance thereafter. Phoenix Contact reserves the right to abandon the Tooling at no additional cost to Phoenix Contact upon issuance of written notification to the Supplier of such intent.

(k) The Supplier may only assign or subcontract any of its contractual obligations either partially or entirely with the written approval of Phoenix Contact. Upon Phoenix Contact's approval, the Supplier shall continue to be liable to Phoenix Contact for all obligations under the applicable Agreement or Ordering Documents between the parties. Additionally, the Supplier shall include terms and conditions that comply with this T & C under the applicable Agreement or Ordering Documents and the Supplier must ensure that said conditions are enforceable directly by Phoenix Contact.

8. Passage of Title and Risk

Title and risk of loss or damage to the Products shall pass from the Supplier to Phoenix Contact upon the delivery of the Products to the location specified by Phoenix Contact.

9. Warranty/Guarantee

(1) The Supplier guarantees and warrants that all Products are made with state-of-the-art technology, including compliance with any relevant worldwide statutory provisions, standards, regulations, provisions, and directives set forth by authorities as well as the EC, professional associations, and trade associations. The Supplier guarantees and warrants that all Products are free of faults are in compliance with the requirements of Phoenix Contact and are suitable for the intended application purpose as well as the place of application. The Supplier shall not deviate from the requirements in this section unless the Supplier submits the deviation form FSH-83003-020. Phoenix Contact's right to warranty claims shall not be affected by giving such consent.

(2) The Supplier hereby warrants that the Products are free from any quality defects and deficiencies in title for a period of two (2) years starting with the passage of title and risk.

(3) Phoenix Contact shall conduct incoming goods inspection for accurate quantities by piece number, order accuracy and to verify the Products are free of any externally visible transportation damages. For these aforementioned defects, a complaint period of two (2) weeks shall be applicable. For all other open or hidden defects, a complaint period of two (2) weeks upon discovery of the defect shall be effective. Any further obligations of complaint and inspection on the part of Phoenix Contact shall be excluded.

(4) Defects discovered during the warranty period, which also include, at Phoenix Contact's sole discretion, the failure of any specified properties, must be remedied by the Supplier immediately and at no additional costs to Phoenix Contact by means of rework or subsequent delivery ("Supplementary Performance"). In urgent cases, or cases where the Supplier does not have staff with the appropriate competency to perform the re-work, or cases where the defect is small, Phoenix Contact may carry out the rework or have it done by third parties, without restricting the rights of Phoenix Contact under the warranty. Phoenix Contact shall be entitled to invoice the costs incurred for this rework to the Supplier, which shall include, but not be limited to, costs for travel, labor, and material, costs for installation and removal of the defective Product, as well as costs for damages caused by the fact that the Product was incorporated into, or with, other products or devices, which are rendered unusable by such incorporation.

Should Phoenix Contact authorize an extension of time for Supplementary Performance, and such an extension expires without action by the Supplier, Phoenix Contact shall not be subjected to Section 4(3) above and shall instead be entitled to all available statutory rights, especially withdrawal, reduction, reimbursement of expenses and compensation in damages instead of performance. Additionally, Phoenix Contact reserves the right to perform any rework itself at the cost of the Supplier.

(5) Phoenix Contact reserves the right, in its sole discretion, to demand a credit of the purchase price/remuneration from the Supplier instead of the Supplementary Performance.

(6) The Supplier shall bear all expenses necessary for Supplementary Performance, including travel, labor, and material costs. The Supplier shall also bear the costs for installing and removing the defective Product, as well as costs or damages caused by the Product's incorporation into other products or devices. As a result of the supply of defective products, the costs of Supplementary Performance shall also include any damages deemed to be applicable by Phoenix Contact.

(7) With devices, tools, machines, and systems, the warranty period shall begin with the complete and unconditional written acceptance of the Product by Phoenix Contact. The acceptance may also be refused by Phoenix Contact due to minor defects. The Products shall not be deemed accepted in the event of payment – even with unconditional payment – the putting into use, the actual use, or the start-up through Phoenix Contact.

(8) For Products that could not be used and/or operated during the inspection of a defect and/or remedy of defects, the current warranty period shall be extended by the time of the interrupted operation.

For repaired or newly delivered Products, the warranty period shall recommence on completion of rectification or, if an acceptance was agreed upon, on acceptance.

10. Defects

Defects shall mean defects in which materials, components, part systems, or systems have an error frequency that clearly lies outside the usually expected values or the values indicated by the Supplier. If the number of rejected Products exceeds 1% of the delivered batch, this shall be defined as a "Series Defect". The Supplier may be required to document rejections using a Phoenix Contact CAR Form, FSH7-853002-001, which requires identification of the defect, how the defect will

be remedied, root cause, corrective action plan, and implementation of the corrective action, at the Supplier's expense. If there is a Series Defect, Phoenix Contact reserves the right to demand the exchange of all Products in the series. If the defective Products of the Supplier are built into another product, Phoenix Contact shall also be entitled to conduct a Recall of the affected products of the Supplier, at the Supplier's expense, subject to the provisions contained in Section 13 below. Phoenix Contact shall have the right to enforce defects within the warranty period, or if the error rate indicated by the Supplier is exceeded. After the warranty period has expired, Phoenix Contact shall be entitled to the full statutory warranty claims for all Products affected by a Series Defect in the event a Series Defect exists.

11. Quality and Environment

Unless stated otherwise in the applicable Agreement or Ordering Documents:

(1) The Supplier shall maintain a quality and environment management system that is suitable in type and extent and complies with state-of-the-art technology.

(2) Wherever possible, the Supplier shall use compostable or recyclable products and environmentally-friendly processes in its supplies or additional services from third parties to manufacture the Products.

(3) The Supplier shall be liable for the environmental compatibility of the Products and packing material and for all consequential damages resulting from a violation of any legal obligation to dispose of waste.

Upon request of Phoenix Contact, the Supplier shall issue a certificate of inspection for the Products.

The Supplier shall provide safety data sheets for the Products with the delivery unless Phoenix Contact already has the updated safety data sheet for the Product. Regardless of the delivery of Products, the Supplier shall ensure that Phoenix Contact is provided with the respective updated safety data sheet for the already delivered Products. The Supplier shall indemnify Phoenix Contact against all recourse claims by third parties in case the Supplier fails to deliver the safety data sheets to Phoenix Contact or if the delivery is late or defective.

(4) The Supplier shall observe banned substance restrictions, including notification and take-back obligations, in accordance with Phoenix Contact's Environmental Compliance Standards located at www.phoenixcontact.com/toc and all applicable international, European, and national statutory provisions, guidelines, and directives. Phoenix Contact shall provide the Supplier with its Environmental Compliance Standard upon request. The Supplier shall immediately provide a list of the substances to Phoenix Contact, in writing, after the Supplier has received the information or upon request by Phoenix Contact. The Supplier shall provide the information required in Art. 33 of the current REACH Directive on the candidate list of substances.

The Supplier shall be liable for any violation of this section and shall indemnify Phoenix Contact against any claims, as well as compensate any damages that are generated directly or indirectly from the violation.

12. Traceability

The Supplier shall put into place adequate systems to allow for the identification of any defects in the Products and the identification of any other products which may be affected by the defect. These efforts are subject to review for adequacy and approval by Phoenix Contact. Upon the request of Phoenix Contact, the Supplier shall follow the ZVEI Guideline "Identification and Traceability in the Electrical and Electronics Industry", as amended from time to time, and shall confirm this in writing.

13. Recall

A "Recall" within the meaning of this provision shall include any mandatory product recall, product safety notice, or field corrective action required by Phoenix Contact affecting its finished goods, which incorporate the Products manufactured by the Supplier or any of its subsidiaries. For the avoidance of doubt, a Recall does not include a product as to which the Supplier or any of its subsidiaries retains title and that has not yet been delivered to any end-user.

For Recall claims that have been determined by Phoenix Contact to be a result of a defect in the Supplier's product, the Supplier shall reimburse any expenses or costs, including but not limited to, expenses incurred for retrofitting, repair, and/or replacement, subsequent delivery and the installation and removal of the corresponding Products. Phoenix Contact shall, at its own discretion, be entitled to carry out a Recall without the approval of the Supplier and at the expense of the Supplier, to the extent the parties agree the defect was the Supplier's fault. As far as possible and reasonable, Phoenix Contact shall inform the Supplier about the content and extent of the recall measures to be taken and give the Supplier an opportunity to comment.

14. Insurance

The Supplier shall produce and maintain workers' compensation, comprehensive general liability, bodily injury, and property damage insurance in amounts no less than $1 million per occurrence and $3 million in the aggregate, and such other insurance as Phoenix Contact may require and shall comply with all applicable local, state and federal regulatory requirements. The Supplier shall provide Phoenix Contact thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of the Supplier-required insurance. If requested, the Supplier shall send a "Certificate of Insurance" showing the Supplier's compliance with these requirements. The Supplier shall name Phoenix Contact Development and Manufacturing, Inc. as an additional insured for the duration of any Agreement or Ordering Document, whichever is longer. Insurance maintained pursuant to this clause shall be considered primary. The Supplier agrees that it, its insurer(s), and anyone claiming by, through, under, or on its behalf shall have no claim, right of action, or right of subrogation against Phoenix Contact and its affiliates based on any loss or liability insured against under the foregoing insurance.

15. Indemnification

(1) The Supplier shall indemnify, hold harmless, and at Phoenix Contact's request, defend Phoenix Contact, its officers, directors, customers, agents, and employees ("Phoenix Contact Indemnified Parties") against all claims, liabilities, damages, losses, and expenses, including attorneys' fees and cost of suit arising out of or in any way connected with the Product(s) provided under any Agreement or Ordering Documents, including, without limitation: (i) the breach of any warranty contained herein; (ii) any claim based on the death or bodily injury to any person, destruction or damage to property, or contamination of the environment and any associated clean-up costs; and (iii) any claim based on the negligence, omissions or willful misconduct of the Supplier or any of the Supplier's agents, subcontractors, employees or anyone acting on behalf of the Supplier in its performance of any Agreement.

(2) The Supplier shall, without limitation as to time, defend, indemnify, and hold Phoenix Contact harmless from all liens which may be asserted against property covered hereunder, including without limitation mechanic's liens or claims arising under Workers' Compensation or Occupational Disease laws and from all claims for injury to persons or property arising out of or related to such property unless the same are caused solely and directly by Phoenix Contact's negligence.

(3) The Supplier shall without limitation as to time, defend, indemnify and hold Phoenix Contact harmless from all Workers' Compensation or Occupational Disease laws claims for bodily injury including death to employees of the Supplier brought forth by the Supplier's employees and/or their family arising out of or in connection with any Agreement or Ordering Document.

16. Patent and Other Intellectual Property Rights

(1) The Supplier shall warrant and guarantee that the Product(s) are delivered free of any intellectual property rights or copyrights, including third-party intellectual property rights, with no other restrictions or exclusions concerning use of the Product(s) by Phoenix Contact. The Supplier shall warrant and guarantee that the delivery and use of the Product(s) will not violate any patents, licenses, or other property rights of third parties.

(2) The Supplier shall indemnify, hold harmless, and at Phoenix Contact's request, defend Phoenix Contact Indemnified Parties against any claim by a third party against Phoenix Contact alleging that the Product(s) provided under any Agreement or Ordering Document, infringe a patent, copyright, trademark, trade secret or other proprietary right of a third party, whether such are provided alone or in combination with other products, software or processes. The Supplier shall not settle any such suit or claim without Phoenix Contact's prior written approval. The Supplier agrees to pay or reimburse all costs that may be incurred by Phoenix Contact in enforcing this indemnity, including attorneys' fees.

(3) Should Phoenix Contact's use, or use by distributors, subcontractors, or customers, of any Product(s) purchased from the Supplier be enjoined, be threatened by injunction, or be the subject of any legal proceeding, the Supplier shall, at its sole cost and expense, either:

(a) substitute fully equivalent non-infringing Product(s);

(b) modify the Product(s) so that they no longer infringe but remain fully equivalent in functionality;

(c) obtain for Phoenix Contact, its distributors, subcontractors or customers the right to continue using the Product(s); or

(d) if none of the foregoing are possible, refund all amounts paid for the infringing Product(s).

17. Liability/Further Claims of Damages

(1) Regardless of the type of violation of duties, the Supplier shall be liable, without limitation, to Phoenix Contact for claims arising out of warranty issues, impossibility, and tort or

for any act of negligence or willful misconduct. Limitations and exclusions of liability of any kind by the Supplier are rejected.

(2) The Supplier shall be liable to Phoenix Contact for faults attributable to others, particularly with regard to the Supplier's purchased parts from third parties, the same as if they were faults attributable to the Supplier.

18. Corporate Responsibility

The Supplier shall, in the production of products and/or the provision of services, ensure that human rights are protected, fair labor standards are observed, no discrimination of persons in a protected class occurs, and no forced or child labor shall be permitted. The Supplier confirms that it will neither tolerate any kind of corruption or bribe nor contribute to such activity in any way. The Supplier shall comply with the contents of the Code of Conduct of ZVEI (German Electrical and Electronic Manufacturers' Association). Phoenix Contact shall provide the Supplier with this Code of Conduct upon request. The Supplier also shall not procure raw materials from regions or countries, known as "conflict regions", where serious ethical or environmental concerns are lawfully raised, or to use them in products.

19. Counterfeit Parts/Materials

(1) Definitions.

(a) "**Counterfeit Goods**" shall mean items, including any material, part, component, module, or assembly of such items, whose description, origin, material, source of manufacture, performance, or characteristics are misrepresented. This term includes items that (i) are an unauthorized copy or substitute of an Original Equipment Manufacturer or Original Component Manufacturer (collectively, "OEM / OCM") item; (ii) are not traceable to an OEM / OCM sufficient to ensure authenticity in OEM / OCM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM / OCM or are not constructed in accordance with OEM / OCM design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM / OCM design but not disclosed as such or are represented as OEM / OCM authentic or new; or (v) have not passed successfully all OEM / OCM required testing, verification, screening, and quality control processes.

(b) "**Authorized Distributor**" shall mean a person, business, or firm that is expressly authorized or franchised by an OEM / OCM to sell or distribute the OEM / OCM's products.

(2) The Supplier shall not furnish to Phoenix Contact any items under any Agreement or Ordering Documents that are Counterfeit Goods or which contain counterfeit parts.

(3) The Supplier shall establish, implement, and maintain a documented Counterfeit Materials and Parts Prevention system in accordance with Industry Standard AS-5553 as a guideline. Such a system shall be adequate to prevent the delivery of counterfeit materials and/or parts and to control materials and parts identified as counterfeit to ensure that items furnished to Phoenix Contact are not Counterfeit Goods. The Supplier's system shall include, but is not limited to, the direct procurement of items from only OEM / OCMs or its Authorized Distributors and conducting approved testing or inspection to ensure the authenticity of items. The Supplier shall not acquire items from any source other than OEMs / OCMs or its Authorized Distributors unless first approved in writing by Phoenix Contact's Strategic Purchasing representative. The Supplier must present complete and compelling support documentation for its request and include in its request all actions the Supplier will take to ensure the items thus procured are not Counterfeit Goods. Phoenix Contact's approval of the Supplier's request does not relieve the Supplier of its responsibility to comply with all requirements of the order for Products, including those contained in this section. The Supplier shall make available immediately to Phoenix Contact, at Phoenix Contact's request, OEM / OCM and other documentation that authenticates traceability of the items to that applicable OEM / OCM.

(4) If the Supplier becomes aware or has reason to suspect that it has furnished Counterfeit Goods to Phoenix Contact, the Supplier shall immediately notify Phoenix Contact and replace, at the Supplier's expense, such Counterfeit Goods with OEM / OCMs or Phoenix Contact-approved items that conform to the requirements of the Products. The Supplier shall be solely liable for all costs related to the replacement of Counterfeit Goods and any testing or validation necessitated by the installation of authentic items after Counterfeit Goods have been replaced. The remedies contained in this section are in addition to any remedies Phoenix Contact may have at law, equity, or under other provisions of any Agreement or Ordering Documents.

(5) The Supplier shall bear the sole responsibility for procuring authentic items from its suppliers and subcontractors and shall flow down the requirements of this section to its suppliers and subcontractors at any tier for the performance of any Agreement or Ordering Documents.

20. Assignment/Rights of Third Parties

(1) The Supplier shall not be entitled to assign its rights and duties, fully or partially, under any Agreement or Ordering Documents to third parties without the prior written approval of Phoenix Contact. If Phoenix Contact grants the approval, the Supplier alone shall remain responsible for the fulfillment of such Agreement or Ordering Documents.

(2) The Supplier shall immediately notify Phoenix Contact, in writing, about every transfer under any Agreement or Ordering Documents which has occurred by operation of law, as well as any legal succession and every change of company.

21. Data Protection

The Supplier and Phoenix Contact shall observe compliance with the Federal Data Protection Act and any other data protection regulations when processing personal data necessary within the service provision and to take the appropriate technical and organizational measures for data protection. Personal data of which the Supplier or Phoenix Contact gains knowledge shall be exclusively processed by Phoenix Contact or the Supplier for purposes of the parties' arrangement and shall never be passed on to third parties, sold, or otherwise be made available for purposes other than those listed above. If need be, information shall also be disclosed by the Supplier to companies affiliated with the Supplier, or to third parties in order to render a service or transaction such as order processing and deliveries. When disclosing personal data to third parties, the Supplier shall restrict itself to only such information that is required to perform its duties under the applicable Agreement or Ordering Documents. The respective third party may only use this personal data for rendering the requested service or for carrying out the necessary transaction, conducted by order of the Supplier. In this connection, the third parties are committed by the Supplier to comply with the Data Protection Act.

22. Place of Performance

Unless otherwise expressly agreed upon, the place of performance for the delivery and service obligation of the Supplier shall be the delivery address indicated by Phoenix Contact.

23. Cessation of Payment, Insolvency

If a Supplier ceases to pay its suppliers by reason of the Supplier's insolvency, Phoenix Contact shall be entitled to withdraw fully or partially from any Agreement or Ordering Documents without compensation to the Supplier, without this releasing any claims by Phoenix Contact against the Supplier.

Phoenix Contact shall become a priority creditor in any bankruptcy proceedings by the Supplier. In addition, Phoenix Contact shall be entitled to retrieve or return any tangible assets it has placed with the Supplier under the UCC form. Any Phoenix Contact prepayments required by the Supplier shall be covered under a bank letter of credit, guarantee, or bond, and Phoenix Contact shall exercise its rights to secure the prepayment upon the Supplier's insolvency. Phoenix Contact retains the right to collect any partially completed work from the Supplier.

If Phoenix Contact withdraws from any applicable Agreement or Ordering Documents, it shall only be liable for the prices that are set forth in the Agreement or Ordering Documents.

24. Written Form

To the extent that a declaration has to be made "in writing" or "in written form", such declaration must be signed by an authorized representative of each party and transmitted to the other party as an original or as telefax or by electronic statement (e.g. e-mail, EDI).

25. Applicable Law; Jurisdiction

Any applicable Agreement or Ordering Document shall be governed, construed, and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws provisions. Such Agreement or Ordering Documents specifically excludes the provisions of the Convention for the International Sale of Goods. Phoenix Contact and the Supplier agree that all disputes relating to any applicable Agreement or Ordering Documents shall be subject to the jurisdiction of and venue in the state and federal courts located in Dauphin County, Pennsylvania. Phoenix Contact and the Supplier hereby submit to the jurisdiction of and venue in such courts and waive any defense of *forum non conveniens.*

26. Severability

Should individual parts of this T & C be determined to be invalid or unenforceable, the validity of the remaining provisions shall remain unaffected.

27. Waiver

No delay or omission by either party to exercise any right or power occurring upon any noncompliance or default by the other party with respect to any terms of any applicable Agreement or Ordering Documents shall impair any such right or power or be construed to be a waiver thereof. One or more waivers of

any such right, obligation, or default shall not be construed as a waiver of any subsequent or other right, obligation, or default.

28. Termination

(1) Phoenix Contact shall have the right to terminate the work hereunder, with or without cause, in whole or in part, at any time. Phoenix Contact will not be liable to the Supplier for any costs for completed items, items in process, or materials acquired or contracted for if such costs were incurred more than the permitted number of days prior to the delivery dates as stated in any applicable Agreement or Ordering Documents or, if none is stated, thirty (30) days. If such termination occurs, and if the parties cannot agree within a reasonable time upon the amount of fair compensation to the Supplier for such termination: (a) Phoenix Contact will pay the contract price for all items reasonably completed in accordance with the applicable Agreement or Ordering Documents and not previously paid for unless the item(s) is/are part of the Supplier's standard commercial items, and (b) Phoenix Contact will pay a fair and proper proportion of the contract price for items in process and for all materials acquired or contracted for under the applicable Agreement or Ordering Documents which the Supplier is unable to cancel, return or otherwise use in the Supplier's operations. Should Phoenix Contact so desire, cancellation charges shall be subject to Phoenix Contact's audit at Phoenix Contact's expense.

(2) Phoenix Contact's ability to terminate the applicable Agreement or Ordering Documents for cause shall be immediate and without prior written notice, in the event of any of the following by the Supplier: (i) a breach of any covenant, representation or warranty hereunder; (ii) in the event of (a) any change in the active management or ownership of the Supplier or (b) the sale, transfer or other disposition of all or substantially all of the assets of the Supplier or any affiliate, division or unit of the Supplier, either of which Phoenix Contact, in its sole discretion, believes may have an adverse effect on the Supplier's ability to fulfill its obligations under the applicable Ordering Documents; or (iii) (a) any proceeding in bankruptcy, reorganization or arrangement for the appointment of a receiver or trustee to take possession of the Supplier's assets or any other proceeding under any law for relief from creditors shall be instituted by or against the Supplier (and such proceeding is not dismissed within sixty (60) days from the filing date); or (b) if the Supplier shall make an assignment for the benefit of its creditors.

29. Certificate of Origin

The Supplier agrees to provide Phoenix Contact, pursuant to the United States Mexico-Canada Agreement (USMCA), with a completed USMCA Certification form(s) for all USMCA-qualifying items identified in or sold to Phoenix Contact pursuant to the applicable Agreement or Ordering Documents. For items not qualifying for USMCA treatment, the Supplier agrees to provide Phoenix Contact with the correct Country of Origin information for each item. If the Supplier does not provide either the required Certificate(s) or correct Country of Origin information, Phoenix Contact may charge back to the Supplier the costs of any duties, penalties, or other expenses (including reasonable attorney's fees) it is required to pay as a result of such failure.

30. Supply Chain Security

The Supplier agrees to comply with the minimum Security Criteria of the U.S. Bureau of Customs and Border Protection's Customs-Trade Partnership Against Terrorism (C-TPAT) program and/or any other applicable global supply chain security programs, to the extent these criteria are relevant to the Supplier's operations. Information about the C-TPAT Program can be found at http://www.cbp.gov. The World Customs Organization's SAFE Framework standards can be found at: http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/~/media/55F00628A9F94827B58ECA90C0F84F7F.ashx

31. Order of Precedence

In the event of any inconsistency in this T & C regarding the Products, or any documents referenced or attachments hereto, the inconsistency shall be resolved by the following in descending order of priority:

1. The applicable Agreement
2. The Ordering Documents
3. This T & C
4. Any other documents referenced herein

32. Obsolescence, Diminishing Sources, & Discontinued Products

(1) Upon determination by the Supplier that a component required in the delivery of the contractual products hereunder is unavailable, through no fault of the Supplier, during the performance of the applicable Agreement or Ordering Documents due to obsolescence or diminishing sources, or that such component is discontinued, the Supplier shall immediately notify Phoenix Contact of this condition or intention. The Supplier shall immediately define the shortage or pending obsolescence/discontinuance by providing Phoenix Contact with (a) satisfactory evidence that its best efforts were made to obtain the affected parts required to meet current contractual requirements and that the Supplier initiated a preliminary investigation of availability of alternate parts (i.e. parts that are technically and physically compatible with hardware design.); (b) identify/propose any potential third party supplier capable of supplying enough parts in the current year to meet the total contractual requirements; and (c) offer Phoenix Contact an opportunity for a lifetime buy of the affected product beyond the current contractual requirement, to include price and availability information. The foregoing is in addition to the Supplier's other obligations pursuant to this T & C and shall in no event relieve the Supplier from any liability to Phoenix Contact for any damages arising as a result of any failure by the Supplier to fully comply with the terms of this T & C. If, there are insufficient parts to meet current contractual requirements, Phoenix Contact may, in addition to any other rights and remedies available to it under this T & C or applicable law take one or more of the following actions: (a) assist the Supplier with the procurement from a third party supplier of enough parts to meet current contractual requirements, or (b) authorize the procurement of the lifetime buy parts; or (c) terminate the applicable Agreement or Ordering Documents for default.

(2) The Supplier acknowledges and agrees that a consistent and reliable source of supply is of utmost importance to Phoenix Contact. The Supplier further acknowledges that Phoenix Contact has an expectation of the Supplier's willingness to maintain a reliable and consistent source of supply to Phoenix Contact for the contractual product ordered hereunder. Therefore, the Supplier covenants and agrees, by accepting this T & C, to use its best efforts to maintain the ability to fulfill future orders placed by Phoenix Contact for any of the products subject to this T & C for a period of at least twelve months following the last delivery date specified under the applicable Ordering Documents. If the Supplier anticipates any difficulty in meeting Phoenix Contact's demand for any such product during such twelve-month period (based on forecasts submitted by Phoenix Contact, whether binding or otherwise, or, if no such forecasts are available, then based on Phoenix Contact's purchasing history of the applicable product for the past two years), then the Supplier shall immediately provide written notice of any such anticipated difficulty and shall use best efforts to remediate such difficulty to ensure an uninterrupted source of supply for Phoenix Contact. The Supplier acknowledges that this provision is a material term of this T & C and shall defend, indemnify, and hold harmless Phoenix Contact from and against any and all loss, cost, expense claims, and damages related to or arising out of the Supplier's failure to fully comply with this provision.

33. Flow Down Requirements

Due to the flow-down requirements of the Defense Priorities and Allocations System (DPAS), Phoenix Contact may be required to place a purchase order for a DPAS-rated order. Under such circumstances, the Supplier shall also be required to follow all requirements of the DPAS regulations at 15 C.F.R. Part 700.