

SUPPLIER AGREEMENT STANDARD TERMS AND CONDITIONS OF PURCHASE

1. **Terms.** The purchase order terms and conditions set forth below, and any terms submitted with a purchase order (collectively, the "P.O. Terms"), are incorporated into the executed supplier agreement (the "Supply Agreement") between the parties, if any. **Acceptance is limited to the terms and conditions of the Supply Agreement, or the P.O. Terms if no Supply Agreement is executed, and no purported revisions of, additions to, or deletions from the Supply Agreement or the P.O. Terms shall be effective, whether in Seller's proposal, invoice, acknowledgment or otherwise, and no local, general or trade custom or usage, shall be deemed to effect any variation herein unless expressly agreed to in writing by Buyer's authorized representative.** The delivery of any goods or the furnishing of any services pursuant to a purchase order, ("Purchase Order") shall constitute acceptance by Seller of the Purchase Order subject to, and in strict accordance with, all of its terms and conditions. To the extent that terms submitted with a Purchase Order are inconsistent with those set forth herein, the terms submitted with the Purchase Order shall govern. Any reference submitted with a Purchase Order to Seller's proposal shall be exclusive of any terms and conditions attached to or referred to therein.

2. **Specifications.** All goods and services furnished pursuant to a Purchase Order shall strictly conform to the specifications, descriptions and warranties set forth in such Purchase Order or any written specifications provided by Buyer to Seller. No change in a Purchase Order shall be made except 1) upon written application to, and subsequent written authority of, Buyer, or 2) upon receipt of a Change Order or revised specification from Buyer.

3. **Time and Place of Delivery; Buyer's Inspection; Acceptance.** Time is of the essence of a Purchase Order. Delivery will be made as specified in the Purchase Order. Buyer reserves the right to reject goods and to cancel all or any portion of a Purchase Order in the event of failure to deliver at the time and place specified. Buyer's acceptance of any part of a shipment not delivered as specified herein shall not obligate Buyer to accept the remainder of that shipment or any future shipments. If Seller is required to provide Material Safety Data Sheets, they will be delivered to Buyer prior to delivery of any goods under a Purchase Order. All goods shall be received subject to Buyer's inspection and acceptance, and subject to Buyer's right to reject and return at Seller's expense goods which fail to conform strictly to the requirements of the applicable Purchase Order. All materials are subject to inspection and testing by Buyer at Buyer's plant or Buyer's warehouse. In event that Seller fails to deliver the goods at the time and place specified, Seller shall be liable for Buyer's costs due to such failure, including, but not limited to, [lost production time], product rework costs,

scrap material costs, inspection costs, and transportation costs.

4. **Extension of Time of Delivery.** Buyer shall not be liable to Seller for any failure of Buyer to take any delivery hereunder when due, if occasioned by any event beyond Buyer's reasonable control, including without limitation fire, flood, earthquake, lightning or other acts of God; acts of, or compliance with the directions of, civil or military authority, including any federal, state or local agency or authority; wars; riots; insurrections; sabotage; accident; embargo; strike or other labor trouble; interruption of or delay in transportation; shortage or failure of supply of materials; or equipment breakdown. At Buyer's option, the time for delivery hereunder shall be extended to the extent of the delay occasioned by any such circumstance and the deliveries so omitted shall be made during the period of such extension.

5. **Title; Risk of Loss.** Unless otherwise specified in the Purchase Order, title and risk of loss of any goods sold hereunder shall transfer to Buyer at the time the goods are delivered to Buyer's manufacturing facility.

6. **Shipment.** Goods must be shipped by the particular route, method and carrier as stated in the Lutron Electronics Supplier Routing Guide which can be found at <http://www.lutron.com/general/SupplierTermsConditions/Pages/PurchaseOrderTermsandConditions.aspx>. In the event that Seller fails to deliver goods on or before any scheduled delivery date, Buyer shall have the right to specify a more rapid method of shipment than was specified originally and Seller shall bear, at no additional cost to Buyer, any increased costs occasioned thereby. No over-shipment of quantities nor pre-shipment against specified delivery dates on this order may be made without prior written approval by Buyer. Any such over-shipment or pre-shipment made without Buyer's written consent may, at the option of the Buyer, be returned at Seller's cost and expense.

7. **Packing, Marking, and Invoicing.** A packing list shall be included with each shipment. Two copies of Seller's invoices, together with original bills of lading, properly signed by carrier's representative, shall be forwarded to Buyer not later than the day after shipments are made. Individual invoices shall be issued for each separate shipment. Buyer shall not be charged for packaging, boxing, crating or cartage. All invoices, packing lists and bills of lading shall clearly reference piece number, Buyer's Purchase Order number and Seller's packing slip number. All packaging shall comply with Buyer's Bar Code Specifications which can be found at <http://www.lutron.com/general/SupplierTermsConditions/Pages/PurchaseOrderTermsandConditions.aspx>. Partial shipments must be identified as such on the shipping memoranda and invoices.

8. **Cash Discounts.** Buyer does not waive rights to cash discount in the following events: (A) If shipment is

delayed in transit beyond the discount period, or (b) if shipment does not go forward on the invoice date, or (C) if the normal shipping time is longer than the discount period. If Buyer returns invoices for correction, any discount period will be extended by the time measured between the date on which correct invoices are received by Buyer. In the event that Buyer is entitled to cash discounts for early payment, the period for payment shall not begin until receipt of the goods or services.

9. Payment; Waiver of Liens. Payment will be made following receipt and acceptance of the goods and receipt, in proper form and substance, of all documentation required by the applicable Purchase Order. Seller shall furnish to Buyer any analysis or breakdown of the price as Buyer may reasonably request. The Purchase Order shall not be filled at prices higher than last quoted or charged by Seller, except as expressly agreed by Buyer. As a condition to any payment hereunder, Seller shall furnish to Buyer, upon request, an executed waiver of liens and claims in form reasonably satisfactory to Buyer. Seller agrees to indemnify, defend and hold harmless Buyer from and against any and all liens and encumbrances arising out of Seller's performance of the Purchase Order or rising out of any claim for payment by any laborer, subcontractor or supplier of Seller.

10. Seller's Warranties. Seller expressly warrants that for a period of one year after Buyer's acceptance of the goods or services hereunder, or for such longer period as may be expressly provided on the applicable Purchase Order or under applicable law, all goods and services covered by the Purchase Order will: (a) strictly conform to Seller's specifications, drawings, samples and other written materials and descriptions, or, to the extent the goods were purchased to Buyer's specifications and drawings as set forth or referred to in this Purchase Order, that the goods strictly conform with those specifications and drawings; (b) be free from defects in design, material and workmanship; (c) be of merchantable quality and suitable for the particular purposes intended, whether express or reasonably implied; and (d) bear all warnings, labels, and markings required by applicable laws and regulations. In addition, Seller warrants that: (e) none of the goods covered hereby, to the extent they are subject to laws prohibiting adulteration or misbranding, is adulterated or misbranded within the meaning of such laws as of the date of delivery to Buyer; (f) all goods covered hereby may be introduced into interstate commerce without violation of applicable laws and regulations; (g) all services have been performed in a good and workmanlike manner; and (h) all goods and services furnished or rendered pursuant to the Purchase Order have been produced, sold, delivered or rendered to Buyer in compliance with all applicable laws and regulations, including those set forth in Section 17.

11. Buyer's Remedies. Buyer's acceptance of all or any part of the goods or services provided hereunder shall not be deemed a waiver of the failure of such goods or services to conform to all of the warranties set forth in Section 10. Buyer retains the right to cancel any portion of the remaining order, to reject any portion of the goods or services delivered, or to revoke acceptance as to any portion of the goods or services accepted, and return such goods to Seller and to recover the purchase price, any excess costs of cover, and damages, including manufacturing costs, costs of removal or recall, transportation and custodial expenses, injury to person or property incurred by Buyer, all in addition to Buyer's other remedies under the applicable Purchase Order or applicable law. If Seller becomes insolvent or makes an assignment for the benefit of creditors, or files or has filed against it any petition in bankruptcy, Buyer shall have the right to cancel any outstanding Purchase Order immediately.

12. Patent, Copyrights, Trademarks. Seller warrants that the goods furnished under or used in connection with any Purchase Order (except those furnished according to Buyer's specific design) and Buyer's express or reasonably implied intended use thereof, do not and will not infringe any patent, copyright, trademark, trade secret or other proprietary right of any third party. If any claim, suit or proceeding is made or instituted against Buyer alleging any such infringement, Seller shall indemnify, defend and hold Buyer harmless from and against any damages, liabilities, judgments, costs and expenses (including without limitation reasonable attorney's fees) it may incur in connection with any such claim, suit or proceeding. In the event that the goods or Buyer's use is held in any suit or proceeding to constitute an infringement, or if Seller determines that there is a substantial risk of a finding of such infringement, Seller agrees, as appropriate, and at its expense to: (a) procure for Buyer, at no expense to Buyer, the right to continue using the goods, (b) replace the goods with equivalent goods that meet the requirements of the applicable Purchase Order and that do not infringe any such rights, or (c) modify the goods so that they become non-infringing.

13. Insurance for Buyer's Equipment. While Buyer's tools, designs, fixtures, molds, electros or other equipment or property remain in Seller's possession, all such property shall be insured by seller at his own cost and expense for their full insurable value against loss by theft, fire and other hazard included in extended coverage insurance. In the event of any loss, the insurance proceeds shall forthwith be paid over to Buyer. At Buyer's request Seller shall furnish Buyer with policies or certificates of such insurance.

14. Ownership of Equipment. Any tools, designs, jigs, fixtures, molds or other equipment specified on a Purchase Order, or required by Seller for the performance of this order, whether standard or special, and paid for by the Buyer, shall remain Buyer's property, and shall be

subject to immediate recall by the Buyer at any time by written notice to the Seller. While in Seller's possession, all such property or equipment utilized in the manufacture of products for the Buyer shall be fully maintained by the Seller at his own expense.

15. **Labor, Work and Services**. In supplying any services hereunder, Seller warrants that it is, and undertakes such performance as, an independent contractor, with sole responsibility for the payment of all federal and/or state unemployment insurance, social security and/or other similar taxes incurred hereunder. Any performance by Seller under a Purchase Order on Buyer's premises shall be in full compliance with Buyer's safety and other rules and procedures and with all federal and state laws and regulations regarding workplace safety, including without limitation, laws pertaining to occupational safety and health

16. **Laws and Regulations**. Seller warrants that all goods provided under a Purchase Order have been produced and all services performed in compliance with applicable federal, state and local laws, ordinances, codes, rules, regulations or standards, including without limitation, the Fair Labor Standards Act, and those pertaining to the manufacture, labeling, invoicing and sale of such goods or services, environmental protection, immigration, employment and occupational safety and health. If a Purchase Order indicates that an order is being placed for a government contract, sellers located within the United States also warrant that they shall at all times comply with applicable provisions relating to government contractors and subcontractors, which provisions, and any contract clauses required thereunder, are incorporated into the applicable Purchase Order by reference as if set forth in full, including 41 CFR 60-1, et seq., with the reporting, record keeping and affirmative action program requirements set forth therein; incorporation of the Equal Opportunity Clause of EO 11246 pursuant to 41 CFR 60-1.4; the maintenance of non-segregated facilities as required by 41 CFR 60-1.8; the provisions of 41 CFR 60-250.4 relating to disabled and Vietnam era veterans; and the provisions of 41 CFR 60-741 relating to handicapped workers. Where legally required, Seller shall include these clauses in its purchase orders supporting Buyer's Purchase Order, and shall at Buyer's request certify to all of the foregoing.

17. **Termination**. Buyer may at any time, without cause, terminate a Purchase Order in whole or in part upon written notice to Seller. In such event, Seller shall be entitled to a reasonable termination fee consisting of a percentage of the Purchase Order price reflecting the percentage of the work, goods delivered or services properly performed prior to termination. Payment of such termination fee shall be Seller's sole remedy; provided, however, that if Buyer terminates a Purchase Order for non-custom goods or services more than thirty

(30) days prior to the delivery date specified in the original Purchase Order for such goods or services, Seller shall not be entitled to any termination fee. Upon Buyer's request, Seller shall preserve, protect and deliver to Buyer, at Buyer's expense, materials on hand, work in progress, and completed work, both in its own and in its suppliers' plants.

18. **Assignment and Set-Off**. Seller shall not assign its rights or delegate its performance hereunder, nor any interest herein, without Buyer's prior written consent and any attempted assignment or delegation without such consent shall be void. Buyer shall be entitled at all times to set-off any amount owing from Seller to Buyer against any amounts otherwise payable to Seller.

19. **Confidentiality**. Seller and its directors, officers, employees and agents shall not disclose to any third party any information pertaining to the goods provided or services performed hereunder, or pertaining to Buyer's business or operations which Seller obtains or has access to in connection herewith, without the prior written consent of Buyer.