S E N S A T A  T E C H N O L O G I E S , I N C .

# Standard Terms & Conditions of Purchase

**GENERAL PROVISIONS**

SELLER AGREES TO COMPLY FULLY WITH THE TERMS AND CONDITIONS OF PURCHASE SET FORTH IN THIS DOCUMENT. ACCEPTANCE OF A PURCHASE ORDER AND/OR AGREEMENT IS EXPRESSLY LIMITED TO THESE TERMS AND CONDITIONS OF PURCHASE AND NONE OF THE SELLER'S TERMS AND CONDITIONS SHALL APPLY IN ACKNOWLEDGING A PURCHASE ORDER OR IN THE ACCEPTANCE OF A PURCHASE ORDER. IN THE CASE OF CONFLICT BETWEEN THESE STANDARD TERMS AND CONDITIONS OF PURCHASE AND SENSATA'S PURCHASE ORDER, THE TERMS OF THE PURCHASE ORDER SHALL SUPERSEDE. ANY TERMS PROVIDED BY SELLER THAT ADD, VARY OR CONFLICT WITH THESE TERMS AND CONDITIONS OF PURCHASE, ARE HEREBY REJECTED. ACCEPTANCE BY SENSATA OF THE GOODS DELIVERED UNDER A PURCHASE ORDER OR AGREEMENT SHALL NOT CONSTITUTE AGREEMENT TO SELLER'S TERMS OR CONDITIONS.

1. **Definitions:**

"**Affiliate**" means an entity that (i) is controlled directly or indirectly by Sensata; (ii) controls Sensata directly or indirectly; or (iii) is under common control with Sensata. "Control" for this purpose shall mean having a fifty percent (50%) or greater interest in the issued share capital of the other entity.

"**Agreement**" shall mean any long term agreement, master purchase agreement, supply agreement or any other agreement that incorporates or references these Standard Terms and Conditions of Purchase.

"**Confidential Information**" shall mean all of Sensata's proprietary information, whether disclosed in oral, written, or electronic format, which includes but is not limited to, data, financial information, technical information, business strategies, designs, specifications, tests, reports, sample products or materials, manufacturing information, or any other information which Sensata provides to Seller.

"**Goods** "shall mean all goods, parts, products, deliverables, items, or services provided by Seller to Sensata pursuant to a Purchase Order and/or Agreement, which incorporates these Standard Terms and Conditions of Purchase.

"**Purchase Order**" shall mean the ordering document, whether in electronic of paper form, used by Sensata to order Goods from Seller. Purchase Orders may also be issued by Sensata pursuant to an Agreement with Seller that references these Terms and Conditions of Purchase.

"**Seller**" shall mean the legal entity selling Goods pursuant to the Purchase Order or Agreement, and these Standard Terms and Conditions of Purchase.

"**Sensata**" shall mean Sensata Technologies, Inc., or Affiliate thereof, and any successor or assignee of Sensata.

2. **Modifications**
   Changes, modifications, waivers, additions or amendments to the terms and conditions of any Purchase Order, Agreement or these Standard Terms and Conditions of Purchase, shall be binding on Sensata only if such changes, modifications, waivers, additions, or amendments are in writing and signed by a duly authorized representative of Sensata.

3. **Applicable Law**
   The validity, interpretation and performance of these terms and conditions and any purchase made hereunder shall be governed by the laws of the Commonwealth of Massachusetts. The United Nations Convention on the International Sale of Goods (the Vienna Convention) is deemed waived and shall not apply. Where not modified by the terms herein, the provisions of such state's enactment of Article 2 of the Uniform Commercial Code shall apply to this transaction.

4. **Compliance with Law**
   Seller agrees that at all times it will comply with all applicable federal, state, municipal and local laws, orders and regulations applicable to the performance of the Purchase Order or Agreement. If requested by Sensata, Seller agrees to timely certify compliance with such laws in such forms as Sensata may request.

5. **Release of Information**
   Seller shall not, unless Seller obtains the prior written consent of Sensata, publicly announce or otherwise disclose (except to the U.S. Government, when the Purchase Order references a U.S. Government contract or subcontract number) the existence or the terms of any Purchase Order or Agreement, or release any publicity regarding any Purchase Order or Agreement. This provision shall survive the expiration, termination or cancellation of a Purchase Order or Agreement.

   Any knowledge or information which Seller may disclose to Sensata shall not be deemed to be confidential or proprietary information and shall be acquired by Sensata free from any restrictions as to use or disclosure thereof, unless a Non-Disclosure Agreement has been executed between the parties.

6. **Indemnity and Insurance**
   Seller shall defend, indemnify, protect and save Sensata, its officers, employees, servants, agents, successors and assigns, harmless from and against all claims, including without limitation claims, liabilities, losses, judgments, actions, administrative proceedings, costs, expenses, penalties, fines, damages and expenses (including, but not limited to, attorneys' fees, consultants' fees and court costs) ("claims") arising out of or caused by, (i) the Seller's performance under the Purchase Order or Agreement, (ii)the acts or omissions of Seller, its employees, contractors, subcontractors, servants, or agents, (iii) any Goods, (iv) the failure of Seller, its employees, contractors, servants, or agents, to comply with applicable laws and regulations on or after the effective date of a Purchase

Order or Agreement, or (v) breach by Seller, its employees, contractors or subcontractors of any terms and conditions of a Purchase Order, Agreement, or these Terms and Conditions of Purchase.

Seller will maintain, in reasonable amounts acceptable to Sensata, general comprehensive liability, property damage and automobile liability insurance, including contractual endorsement and products hazards coverage, in reasonable amounts covering the obligations set forth in a Purchase Order or Agreement and, upon request, it will provide Sensata with a Certificate of Insurance indicating the amount of such insurance.

7. **Waiver**

Any failure of Sensata to enforce at any time, or for any period of time, any of the provisions of a Purchase Order or Agreement shall not constitute a waiver of such provisions nor of Sensata's right to enforce each and every provision.

8. **Acceptance and Warranty**

Final acceptance of Goods by Sensata will not be until after arrival at the Sensata facility designated by a Purchase Order, unless otherwise specified herein. Seller warrants that all Goods supplied by Seller under a Purchase Order or Agreement (i) conform to the requirements, specifications, drawings, samples or other descriptions furnished or adopted by Sensata, and (ii) that they are of good material and workmanship, and (iii) free from all defects in manufacture or design if design is not provided by Sensata, and (iv) are of merchantable quality and fit for their intended purpose, and (vi) new, and (vii) free from all liens and encumbrances on title. Such warranties by Seller shall run to the benefits of Sensata, its employees and purchasers from Sensata. Sensata's approval of designs furnished by Seller shall not relieve Seller of its obligation under this warranty. Seller's warranty shall be effective for a period of four (4) years from the date of acceptance of Goods by Sensata, or for such longer period as specified by Sensata. All Goods returned to Seller for breach of warranty hereunder shall be at Seller's expense, including expenses and penalties incurred by Sensata in recalling such Goods which have been delivered to Sensata's customers and expense of redelivery. Seller will make process control data, inspection and test reports covering the Goods and their parts available for review and subject to examination by Sensata or its authorized representative to verify conformance to such applicable specifications and drawings. However, a certificate of conformance must accompany individual shipments when so specified on applicable drawings, or on the Purchase Order. Any Goods not accepted by Sensata may be returned to Seller at Seller's expense for full credit of the purchase price. Inspection may be performed at Sensata's option on a statistical sampling basis. The entire lot may be rejected based on defects revealed by such sampling. At Sensata's option, the rejected lot will be either returned to the Seller for replacement (via expedited freight at Seller's expense) or credit or 100% screened by Sensata with cost of screening paid by Seller. The initial inspection performed at Sensata upon receipt of Goods is a conditional acceptance, and shall not waive the right of Sensata to return to Seller Goods which exhibit or develop defects due to latent causes during or after installation or testing of the end product. The foregoing remedies are in addition to, and not in lieu of any remedies available to Sensata.

9. **Seller Funded Items**

Seller shall preserve all special drawings, dies, patterns, tooling or other items supplied or paid for by Sensata in good condition; and they are the property of Sensata unless otherwise specified, and

the same such items shall be returned in good condition when the work on the Purchase Order or Agreement has been completed or terminated, or at any other time as requested by Sensata. No special drawing, die, pattern, tool or other item supplied by Sensata or made by Seller for the use of or delivery to Sensata, or for use by Seller in supplying Sensata, shall be used by Seller for any purpose other than supplying Sensata, without Seller first obtaining the written consent of Sensata thereto, provided, however, that if the U.S. Government has rights in such items under a prime contract with Sensata, noninterfering use of the items for direct sale to the Government is authorized if written notice is provided to Sensata prior to such use. If material, equipment, special drawings, dies, patterns or other items are furnished by Sensata for performance of a Purchase Order or Agreement, all risk of loss thereof or damage thereto shall be upon Seller from the time of shipment to Seller until redelivery to and receipt by Sensata.

10. **Patents and Copyrights**

a. Seller agrees to indemnify and to save Sensata, its officers, agents, employees and vendees (mediate and immediate) harmless from any and all loss, expense, damage, liability, claims or demands either at law or in equity for actual or alleged infringement of any patent invention, design, trademark or copyright arising from the purchase, use or sale of Goods, materials or articles pursuant to a Purchase Order or Agreement, except where such infringement or alleged infringement arises by reason of designs for such materials or articles originally furnished to Seller by Sensata.

b. All inventions which Seller conceives or reduces to practice during the course of its performance under a Purchase Order or Agreement shall be the exclusive property of Sensata. All materials, items and other work prepared by Seller under a Purchase Order or Agreement shall be deemed "work-for-hire" as defined under United States copyright law and shall be the exclusive property of Sensata from the date of inception. If the work product does not qualify as a "work-for-hire", then in any event all rights in the work product, including the copyright, will be deemed automatically transferred to Sensata from its inception. Sensata shall have the exclusive worldwide right to use, edit, translate, publish, transfer or sell the work product prepared by Seller in any manner which Sensata deems fit.

11. **Changes**

Sensata may change from time to time any of the drawings, specifications or instructions for work covered by a Purchase Order or Agreement and Seller shall comply with such change notices. If such changes result in a decrease or increase in Seller's cost or in the time for performance, an adjustment in the price and time for performance may be made by the parties in writing, provided, however, that Seller notifies Sensata of the request for such adjustment within thirty (30) days after receipt by it of the change notice.

12. **Assignments**

The Agreement or performance obligations shall not be assigned or transferred by Seller without prior written approval by Sensata, and any attempted assignment or transfer without such consent shall be void. Seller shall not subcontract any substantial portion of the work to be performed by it under a Purchase Order or Agreement without the prior written consent of Sensata.

13. **Termination for Convenience**

Sensata may terminate the work to be performed under the applicable Purchase Order or Agreement in whole or in part at any time without cause by providing thirty (30) days written notice to Seller. Such notice shall state the extent and effective date of such termination and, upon the receipt of such notice, Seller will comply with the directions pertaining to work stoppage and the placement of further orders or subcontracts hereunder. The parties shall thereupon employ their best efforts to agree by negotiation, within three (3) months, upon the amount of reimbursement, if any, to be paid to Seller for such termination. Termination under this provision shall not be deemed a breach of contract. The provisions of this paragraph shall not limit or affect the right of Sensata to terminate a Purchase Order or Agreement for cause and shall not apply to a termination with cause. Seller shall mitigate its claim to the maximum extent and, in any event, no claims shall exceed the lesser of fair market value or actual cost of raw materials and work in progress material which Seller shows cannot be diverted to other uses. No claim shall be asserted or honored for loss of expected profits, or for any consequential or incidental damages, due to cancellation.

14. **Price Adjustment**

Except as provided herein, Sensata will not accept shipment at any increase in price above that indicated on the Purchase Order or Agreement. Any general price decrease announced by Seller in classification of Goods similar to the items described on the Purchase Order or Agreement shall automatically reduce the price thereof by a comparable percentage.

15. **Notice of Labor Disputes**

Whenever any actual or potential labor dispute delays or threatens to delay the timely performance of a Purchase Order or Agreement, Seller shall immediately give notice thereof to Sensata and, if the Purchase Order or Agreement relates to a military contract, Seller will also give notice to the nearest military representative.

16. **Payment Terms**

The following terms with respect to payment are applicable to each Purchase Order:

a. Net Invoices:
Net invoices will be paid ninety (90) days from invoice receipt date for Goods received at Sensata unless otherwise stated on the Purchase Order or agreed to in writing by both parties. If Sensata receives Seller's invoice prior to such receipt of Goods, the terms of payment shall be measured from the date of such receipt of Goods rather than date of receipt of invoice.

b. All schedules of payments above stated are based upon receipt by Sensata or shipment F.O.B. source, whichever is applicable as indicated on the face hereof, of the Goods prior to scheduled payment date. If Sensata receives the invoice prior to such shipment or receipt of Goods or the provision of services, the foregoing terms on the Purchase Order shall be measured from date of such receipt of shipment of Goods or the provision of services rather than date of receipt of invoice.

c. Invoices must be imprinted with the Sensata Purchase Order number and the nine digit D-U-N-S number, where available, corresponding to the address where payment should be mailed and payment shall be sent to such address.

17. **Extra Charges**

No charges of any kind, including charges for boxing or cartage, will be allowed unless specifically agreed to by Sensata in writing. Pricing by weight, where applicable, covers net weight of Goods, unless otherwise agreed.

18. **Time of Delivery and Title Transfer**

a. The delivery dates indicated by Sensata for the Goods to be supplied under a Purchase Order or Agreement are of the essence. Failure to meet agreed upon delivery shall be considered a breach of the contract; furthermore, in addition to and not in lieu of any other remedy available to Sensata, Seller agrees to pay to Sensata any penalty and damages imposed upon or incurred by Sensata for failure of Seller to deliver Goods on such delivery dates.

b. Unless otherwise agreed in writing, Seller shall not make commitments for material or production in excess of the amount or in advance of the time necessary to meet Sensata's delivery schedule. It is the Seller's responsibility to comply with this schedule, but not to anticipate Sensata's requirements. Goods shipped to Sensata in advance of schedule may be returned to Seller at Seller's expense. Sensata may reschedule the delivery of any unshipped product for later delivery within ninety (90) days of the originally scheduled delivery date.

c. Title transfer of the Goods occurs only at the time the Goods are physically received by Sensata as specified on the Purchase Order or Agreement. For all Goods shipped to any intermediate consignment location, title transfer does not occur until the Goods are physically received by Sensata and timely entered into its inventory system.

19. **Setoff**

Sensata shall be entitled at all times to setoff any amount owing, for any reason, at any time, from Seller to Sensata or any of its affiliated companies against any amount payable at any time by Sensata in connection with a Purchase Order or Agreement.

20. **Sales and Use Tax Exemption**

Except for purchases of capital equipment, it is hereby certified that the Goods described herein are exempt from the sales and use tax, unless otherwise noted, for the reason that such property is purchased for resale or will become an ingredient or component part of, or be incorporated into or used or consumed in, a manufactured product produced for ultimate sale at retail. If the Goods described on a Purchase Order are purchased tax exempt and subsequent use makes this property taxable, Sensata will assess and pay tax to the appropriate state.

21. **Reservation of Rights and Remedies**

The rights and remedies set forth herein are cumulative and in addition to any other rights and remedies Sensata may have at law or in equity. Sensata expressly reserves all rights and remedies which are available to it at law or equity including, but not limited to, rights and remedies set forth in the Uniform Commercial Code.

22. **Attachments**

Any attachments referenced on a Purchase Order or in an Agreement shall be deemed for all purposes to be an integral part of the Purchase Order or Agreement. In the event of irreconcilable

conflict between such referenced attachments and the terms stated herein, the terms of such attachments shall control.

23. **Overshipments**

Seller is instructed to ship only the quantity(ies) specified in a Purchase Order or Agreement. However, any deviation caused by conditions of loading, shipping, packing or allowances in manufacturing processes may be accepted by Sensata according to the overshipment allowance indicated on the face of a Purchase Order or Agreement. If no allowance is shown, it shall be 0% (zero percent). Sensata reserves the right to return any overshipment in excess of the allowance at the Seller's expense.

24. **Packing and Shipping Instructions**

a. The Sensata Routing Guide is available on the Sensata Supplier Portal http://www.sensata.com/supplier/ and in the event of any conflicting terms and conditions between the terms herein and the Routing Guide, the Routing Guide will take precedence.

b. All premium freight cost incurred by Sensata or Seller beyond that specified by Sensata shall be borne by Seller. Seller is responsible for all shipments which are damaged in transit due to improper packaging, improper judgment or any other act or omission of the Seller, shipper or carrier. On all F.O.B. origin shipments, except parcel post, Seller will ship freight collect. (If small parcel carrier collect is unavailable, Seller will ship prepaid).

c. Definition of Terms (Whether F.O.B. origin or destination).

(1) "Freight collect" Seller will ship freight collect - freight carrier will bill Sensata.

(2) "Freight prepaid and bill" - Seller will ship freight prepaid and bill Sensata.

(3) "Freight prepaid" - Seller will ship freight prepaid and bear all transportation costs.

d. Outline of Incoterms:

*Please see our Preambles to Incoterms 2010 web page at www.sensata.com/incoterms.htm for specific explanations of the functions of each Incoterm*. Sensata authorizes only the following Incoterms to be used:

- EXW Ex Works (named place of origin) Air, Truck, Ocean, Rail
- FCA Free Carrier (named place)

- CIP Carriage and Insurance Paid To (named place of destination) Air, Truck, Ocean, Rail
- CPT Carriage Paid To (named place of destination)

- DAT Delivered At Terminal (named port of destination) Air, Truck, Ocean, Rail
- DAP Delivered At Place (named place of destination) Air, Truck, Ocean, Rail

25. **Inspection - Quality System**

a. The Seller agrees to permit Sensata and Sensata's customer or government representatives, to verify the quality of Goods being provided under a Purchase Order or Agreement at any production stage in the Seller's facility. Verification may consist of an on-site assessment/surveillance of the Seller's facilities and quality programs and/or a source inspection. Deficiencies identified during such verification shall be corrected by the Seller in a manner agreed upon with Sensata including the timeliness of the action implementation. The Seller shall provide all reasonable facilities and assistance for the safety and convenience of personnel engaged in such verification. Seller agrees to include into each subcontract Seller might make hereunder appropriate provisions to the same effect.

b. Unless modified by the Purchase Order through the use of Sensata's Purchase Order clauses, Seller is required to ensure that the manufacturing processes used meets the technical requirements of the applicable drawings, specifications, engineering changes and added requirements of the Purchase Order. An inspection system inherent to verifying the technical requirements must be maintained and objective evidence of such will be produced on request.

c. Seller shall comply with Global Supplier Quality Manual which can be found at:

26. **Government Contract Provisions**

If a Purchase Order or Agreement references a U.S. Government contract or subcontract number, the dates of the following clauses of the Federal Acquisition Regulation (FAR) are the same as the dates of the corresponding clauses in the prime contract referenced on the front of a Purchase Order or Agreement are incorporated by reference and will prevail in the event of any inconsistency with the foregoing terms and conditions. Cost Accounting Standards (CAS) requirements are those in effect on the date of the subcontract award or final agreement on price, whichever is earlier. It is understood that the term "contracting officer" or "Government" shall mean Sensata and "contractor" shall mean Seller when applicable. Any reference to a "disputes" clause in any FAR clause incorporated in a Purchase Order or Agreement is deleted. Any FAR clause which by its terms is required to be included in a subcontract is hereby incorporated in a Purchase Order or Agreement when applicable. Seller shall be entitled to the full benefit of whatever authorization and consent clause is contained in the prime contract referenced on the front of a Purchase Order or Agreement. Refer to form Sensata-288 18 for applicable FAR clauses.

27. **Export Compliance**

Each party hereby agrees that it will not knowingly transfer, divert, export or reexport, directly or indirectly, any product, software, including software source code, or technical data (as defined by the U.S. Export Administration Regulations of the U.S. Department of Commerce) restricted by such regulations or by other applicable national regulations, received from the other party under these Terms and Conditions of Purchase, or any direct product of such software or technical data to any person, firm, entity country or destination to which such transfer, diversion, export, or reexport is restricted or prohibited by U.S. or other applicable law, without obtaining prior authorization from the U.S. Department of Commerce and other competent government authorities to the extent required by those laws.

28. **Confidential Information**

Seller shall not disclose Confidential Information to any third party unless Seller receives Sensata's express written consent to the contrary. Seller shall use Confidential Information solely for

purposes related to the applicable Purchase Order or Agreement and for the mutual benefit of the parties. Seller may only disclose Confidential Information to those employees, directors, or officers of Seller who have a need to know the Confidential Information for purposes relating to the applicable Purchase Order or Agreement. Such employees of Seller shall be obligated to execute an agreement that requires such person to treat and protect Confidential Information in a manner that is consistent with this provision. Obligations under this provision shall continue until such Confidential Information is publicly known and available through no act or omission of Seller. Upon termination or expiration of any Purchase Order or Agreement subject to these Standard Terms and Conditions of Purchase, or upon request of Sensata, Seller shall destroy or return all Confidential Information to Sensata.

29. **Sustainability**

Seller shall comply with all governmental requirements for end of life (Directive 2000/53/EC - the "ELV Directive") and material content reporting to include, but not limited to: Reduction of Hazardous Substances (“RoHS”), Registration, Evaluation, Authorization (and Restriction) of Chemicals (“REACH”), and Conflict Minerals as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

30. **Survival**

All rights and obligations which by their nature or express terms, extend beyond the expiration or termination of the Purchase Order or Agreement, including but not limited to any warranties, indemnification and confidentiality provisions, shall survive the expiration or termination of the Purchase Order or Agreement.