



PURCHASE ORDER | TERMS & CONDITIONS

1. **APPLICABLE TERMS.** This order may be accepted by Seller only in accordance with the terms hereof. Any acceptance herein of an offer of Seller or any confirmation herein of a prior agreement between KYOCERA AVX Components Corporation ("Buyer") and Seller is expressly made conditional on Seller's assent to the additional or different terms contained herein. This order may be accepted by Seller by commencement of work, shipment of goods, or furnishing the services hereunder. Dispatch of Seller's acknowledgment form or other written documentation will also act as an acceptance if it agrees with this order with respect to the description, amount, price and time of delivery of the goods or services ordered, notwithstanding any waiver in any instance or any oral agreement, or any instruction, terms and conditions that may be contained in any quotation, acknowledgment invoice or other written document of Seller. No addition to, waiver for the future or modification of any of the provisions herein contained shall be of any force or effect unless made in writing and executed by Buyer.

2. **ACKNOWLEDGMENT AND SHIPMENT.** Seller shall acknowledge this order immediately, advising Buyer of when shipment will be made and confirming method of shipment. Unless otherwise agreed, time is of the essence and immediate shipment is required. Notify at once of any delay. If an order does not meet Seller's minimum billing, Seller shall promptly notify Buyer, in which event Buyer reserves the right to either cancel or increase order.

3. **DELIVERY/TITLE.** Seller will comply, in all respects, with Buyer's delivery and logistics requirements, as amended or updated from time to time and as incorporated in this Contract by reference. Time is of the essence, and deliveries must be made both in quantities and at times specified in Buyer's delivery schedules. Buyer will not be required to make payment for goods delivered to Buyer that are in excess of quantities specified in Buyer's delivery schedules. Buyer may change the rate of scheduled shipments, the quantity of shipments or direct temporary suspension of scheduled shipments. Where quantities and/or delivery schedules are not specified, Seller will deliver goods in such quantities and times as Buyer may direct in subsequent delivery schedules. Further, if Seller's acts or omissions result in or are likely to result in Seller's failure to meet Buyer's delivery requirements and Buyer requires a more expeditious method of transportation for the goods than the transportation method originally specified by Buyer, Seller will be solely responsible for all costs and expenses associated with such expedited shipments.

4. **SHIPPING; PACKAGING.** Seller will comply, in all respects, with Buyer's shipping and packaging requirements as amended or updated from time to time and as incorporated in this Contract by reference. Unless otherwise provided in this Contract, any charges or costs relating to handling, packaging, storage or transportation of goods are borne by Seller and have been included in the piece price of the goods as set forth herein. Further, Seller will (a) properly pack, mark and ship goods in accordance with the requirements of Buyer, the involved carriers, and laws and regulations of the country of manufacture, the country of destination and any country in which the goods will be



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transported, including, without limitation, laws and regulations governing the handling and transportation of dangerous goods or hazardous materials; (b) route shipments in accordance with Buyer's instructions and the terms and conditions stated in this Contract; (c) provide with each shipment packing slips with Buyer's Contract and/or release number and date of shipment marked thereon; (d) promptly forward the original bill of lading or other shipping documents for each shipment in accordance with Buyer's instructions; and (e) include on bills of lading or other shipping documents the correct classification of the goods. The marks on each package and identification of the goods on packing slips, bills of lading and invoices (when required) must be sufficient to enable Buyer to easily identify the goods purchased.

5. **IDENTIFYING NUMBERS.** Purchase order number and vendor number (and Buyer's stock number, if shown of the order) must appear on all invoices, packages, packing slips or correspondence pertaining to this order.

6. **BILLS OF LADING AND SHIPPING MEMORANDA.** All bills of lading and shipping memoranda must be mailed to destination of goods immediately upon shipment.

7. **INSPECTION AND APPROVAL.** Items purchased hereunder are subject to inspection and approval at buyer's destination. Buyer reserves the right to reject and refuse acceptance of items which are not in full accordance with Buyer's instructions, specifications, drawings or designs, as the case may be. Items not accepted will be returned at Seller's expense. Payment for any item shall not be deemed an acceptance thereof.

8. **PAYMENT; SETOFF AND RECOUPMENT.** Each invoice must comply with applicable law, if any, and include the following information regarding the corresponding shipment of goods or performance of services: (a) amount due (in the currency specified in this Contract); (b) location of delivery or performance; (c) shipment or delivery information; (d) Contract number; (e) if applicable, purchase order number; (f) if applicable, the intra-EU VAT number; and (g) for goods, net weight of the goods. Buyer may reject any invoice that is inaccurate or does not conform to these requirements, and Seller will promptly reissue any such rejected invoice. Buyer's failure to reject an invoice does not constitute Buyer's acceptance of the invoice or the goods or services to which such invoice pertains. Buyer will pay for the goods or services provided by Seller in accordance with the payment terms and in the currency specified elsewhere in this Contract. Payments may be made electronically (including, without limitation, by bank transfer or recorded bill of exchange, where applicable). Where Buyer has reasonable grounds to believe goods provided by Seller under this Contract may be subject to any liens, claims or encumbrances, Buyer may withhold payment pending receipt of evidence, in such form and detail as Buyer may direct, that such goods provided are free of any liens, claims and encumbrances. In addition to any right of setoff or recoupment provided by law, all amounts due to Seller will be considered net of indebtedness of Seller and its affiliates/subsidiaries to Buyer and its affiliates/subsidiaries; and Buyer will have the right to setoff against or to recoup from



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any amounts due to Seller and its affiliates/subsidiaries from Buyer and its affiliates/subsidiaries.

9. **DISCOUNTS.** In connection with any discount offered for prompt payment, time for earning the discount will be computed from the latest of: (I) date of delivery of the supplies to the carrier (when acceptance is at shipping point); (II) date of delivery at destination or port of embarkation (when delivery and acceptance are at either of these points); or (III) date the correct invoice or voucher (in strict accordance with this order) is received in the office specified by Buyer for the purpose of earning any such discount. Payment will be deemed to be made on the date of mailing of Buyer's check.

10. **CHANGES.** Buyer may, at any time, by written notice, make changes in: (I) drawings, designs or specifications where the items to be furnished are to be specially manufactured for Buyer in accordance therewith; (II) method of shipment or packing; and (III) time or place of delivery. If any such changes cause an increase or decrease in the cost of, or time required for, performance of this order, Seller shall advise Buyer of such increase or decrease. Buyer shall in turn advise Seller if it agrees that an adjustment will be made in the price or delivery schedule, or both.

11. **VARIATION IN QUANTITY.** No variation in the quantity of any item called for by this contract will be accepted unless agreed to in writing and signed by Buyer's authorized agent.

12. **PRODUCT WARRANTY; WARRANTY OF PERFORMANCE.** Seller warrants and guarantees that the goods covered by this Contract will conform to all specifications, drawings, samples, descriptions and quality standards (1 furnished by Buyer, or (2 furnished by Seller and approved by Buyer in writing, and will be merchantable, of good material and workmanship and free from defect. In addition, Seller acknowledges that Seller knows of Buyer's intended use of the goods covered by this Contract and warrants and guarantees that such goods have been selected, designed, manufactured or assembled by Seller based upon Buyer's stated use and will be fit and sufficient for the particular purposes intended by Buyer. Unless otherwise set forth in this Contract, the duration of the warranty provided by Seller to Buyer for the goods will begin on the date of receipt of the goods by Buyer. All freight charges involving the shipment of defective items shall be at the Seller's expense.

13. **INDEMNIFICATION.** If this order involves the purchase of services or goods with on-site labor, Seller assumes the defense and the entire responsibility and liability for any and all damage or injury of any kind or nature whatsoever (including resulting death) to all persons employed by the Seller or otherwise, including subcontractors of contractors, and to all property damage caused by, resulting from, arising out of or occurring in connection with the performance by it, or any subcontractor of it, of this order regardless



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of cause or fault or negligence or alleged strict liability on the part of the Buyer. In the event the liability of the Seller shall arise by reason of the sole negligence of Buyer, then and only then, the Seller shall not be liable under the provisions of this paragraph. If any person makes a claim for any such damage or injury (including death resulting therefrom) as herein above described, the Seller agrees to indemnify and save harmless the Buyer, his agents, servants and employees from and against any and all loss, damage, injury or expense including reasonable attorney's fees that the Buyer may sustain as a result of any such claims, and the Seller agrees to assume on behalf of the Buyer, the defense of any action at law or in equity, which may be brought against the Seller upon such claim and to pay on behalf of the buyer upon its demand, the amount of any judgment that may be entered against the buyer in any such action. In any suit or claim by Buyer, Seller hereby expressly waives any immunity from suit by Buyer which might otherwise be conferred by the workers' compensation laws of any state and which would preclude enforcement of the indemnification clause of the agreement by Buyer, and Seller further agrees to pay any reasonable attorney's fees incurred by the Buyer in securing compliance with the provisions of this indemnification agreement.

14. **RIGHT TO AUDIT.** If this order involves services, repairs or materials which reflect a cost plus or unit pricing method of purchasing, all charges based on time, materials or third-party rentals shall be subject to examination by Buyer, and Seller, upon request by Buyer, shall permit Buyer to examine its books and records respecting all such charges.

15. **TERMINATION.** Buyer, by 10 days written notice, may terminate this order, in whole or in part. In the event this order is terminated as a result of Seller's default, the Seller shall be liable for all damages allowed in law or equity, including the excess cost of reproducing similar items. If this order is terminated for the convenience of the Buyer, Seller will be compensated to the extent that items have been accepted by Buyer prior to the effective date of termination. Other than to this extent, Buyer shall not be liable to Seller for any damages on account of its failure to accept all of the items ordered.

16. **CONFIDENTIALITY/TRADE SECRETS.** All specifications, data and other information furnished by Buyer, or its agents, to Seller in connection with this order remain the exclusive intellectual property of Buyer and shall be treated by the Seller as proprietary and shall not be disclosed or used, outside the limitation of this order, without prior written approval of the (Director - Purchases) of Buyer. In addition, the purchase of the Seller's product does not authorize the Seller to use the name of or make reference to Buyer for any purpose in any releases for public or private dissemination, nor shall the Seller divulge or use in any advertisement or publication any specifications, data or other information pertaining to or relating to this usage without prior written approval of the (Director - Purchases) of Buyer.

17. **INFRINGEMENTS.** If suit is brought against Buyer alleging that the items as such or any parts or equipment covered by this order or their use as such constitute an infringement of any patent, trademark or other right of any third party, Seller shall defend



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Buyer and pay any awards against Buyer, including reasonable attorney's fees, for such infringement provided Buyer gives Seller prompt written notice and permits Seller to defend.

18. **COMPLIANCE WITH LAWS.** All goods and services covered by this order must be produced or performed in accordance with applicable local, State and Federal laws, including those dealing with protection of the environment. All goods and services must bear the following legend: "We hereby certify that the goods/services covered by this invoice were produced in compliance with applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof." 19. **OSHA.** Seller agrees to comply with the provisions of the Occupational Safety and Health Act of 1970 and the standards and regulations issued thereunder. Seller certifies that all items furnished and all work performed hereunder will comply with said standards and regulations. Seller further agrees to indemnify and hold harmless Buyer for any loss, damage, fine, penalty or any expense whatsoever as a result of Seller's failure to comply with the act and any standards or regulations issued thereunder. 20. **CHEMICAL SUBSTANCES IDENTIFICATION.** By acceptance of this purchase order, the Seller certifies that any chemical substances furnished pursuant to this order have been properly labeled, and that proper information of the substance(s) e.g., Material Safety Data Sheets) have been provided to Buyer, pursuant to any Federal, State or local legislation. 21. **GOVERNING LAW.** This order shall be interpreted under the laws of the State of South Carolina. Seller agrees to the exclusive jurisdiction of the state of South Carolina, for any disputes arising out of or related to this order.

19. **NON-CONFORMING, REJECTED OR SURPLUS GOODS.** Buyer will not perform incoming inspections of the goods and Seller waives any requirement that Buyer conduct such inspections. Payment for nonconforming goods will not constitute an acceptance of them, limit or impair Buyer's right to assert any legal or equitable remedy, or relieve Seller's responsibility for latent defects. Any goods (a) determined to be nonconforming by Seller (or its suppliers); (b) rejected by Buyer as nonconforming; or (c) that become obsolete or surplus, will be rendered unusable prior to salvage or disposal by Seller (or its suppliers). Seller will ensure that nonconforming, rejected, obsolete or surplus goods are not sold as service or replacement parts to third parties. Seller will institute appropriate controls with its suppliers to ensure compliance with this Section.

20. **QUALITY.** Seller will comply, in all respects, and will cause its subcontractors and suppliers to comply, in all respects, with Buyer's quality requirements and procedures as amended or updated from time to time and as incorporated by reference in this Contract. Seller will promote continuous improvement in the quality of the goods and Seller's manufacturing and logistics processes.



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21. **CUSTOMS; ORIGIN.** Credits or benefits resulting or arising from this Contract, including trade credits, export credits or the refund of duties, taxes or fees, will belong to Buyer. Seller will timely and accurately provide all information necessary (including written documentation and electronic transaction records) to permit Buyer to receive such benefits or credits, as well as to fulfill its import and, where required by this Contract, export customs related obligations, origin marking or labeling requirements and local content origin requirements, if any. Seller will undertake such arrangements as necessary for the goods to be covered by any duty deferral or free trade zone program(s) of the country of import. Seller will ensure compliance with the recommendations or requirements of all applicable Authorized Economic Operator (AEO), governmental security/anti-terrorism and enhanced border release programs (including, without limitation, the United States Bureau of Customs and Border Protection's Customs-Trade Partnership Against Terrorism (C-TPAT), Canada Border Services Agency's Partners in Protection initiative and Administración General de Aduanas de Mexico's Neuvo Esquema Empresa Certificada (NEEC) program). At the request of Buyer or the appropriate Customs Authority, Seller will certify in writing its compliance with the foregoing.

22. **INTELLECTUAL PROPERTY RIGHTS.** Seller warrants that any materials, supplies or other goods furnished by Seller or its affiliates to Buyer will not infringe any United States or foreign patent, trademark, copyright, or mask work right by reason of their manufacture, use or sale, and will not misuse or misappropriate any trade secret. Seller shall (1) indemnify, defend, and hold harmless the Buyer, its agents, employees, successors and customers against all such claims, demands, losses, suits, damages, liabilities and expenses (including reasonable attorney's fees) arising out of any suit, damages, claim or action for actual or alleged or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark, copyright, or mask work right reason of the manufacture, use, or sale of the goods or services under the Purchase Order, including infringement arising out of compliance with specifications furnished by the Buyer, or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Seller's actions; (2) waive any claim against Buyer under the Uniform Commercial Code or otherwise, including any copyright or mask work right infringement or the like, including claims arising out of compliance with specifications furnished by Buyer; and (3) grant to Buyer a worldwide, non-exclusive, royalty-free, irrevocable license to repair and have repaired, to reconstruct and have reconstructed, the goods ordered by this Purchase Order. In the event work performed by Seller under this Purchase Order results in any invention or work of authorship, whether patentable, copyrightable or not, regarding any part or component, or the manufacture or use thereof, Seller hereby assigns and shall assign to Buyer all right, title and interest to such invention or work of authorship and to any patents, copyright or other intellectual property which Seller may obtain thereon. Seller will assist Buyer, at the request and expense of Buyer, in the completion and execution of all documents necessary to obtain such patents, copyrights or intellectual property and to perfect and record Buyer's ownership thereof. Seller agrees that any such work of authorship which can be construed to be a "work for hire" under provisions of the United States Copyright Act shall be considered a "work for hire".



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23. **TECHNICAL INFORMATION.** Seller agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical or other information that Seller has disclosed or may hereafter disclose to Buyer or its affiliates in connection with this Contract or the goods or services contracted. Any technical or other information provided by Seller to Buyer or its affiliates will not be subject to confidentiality or nondisclosure obligations unless the parties have entered into a separate written confidentiality and nondisclosure agreement signed by their respective authorized representatives prior to the effective date of this Contract.

24. **EXPORT CONTROLS; SANCTIONS COMPLIANCE.** Seller agrees to comply with all applicable export control and sanctions laws and regulations of the United States of America, of member States of the European Union, and any other relevant country (the "Export Control Laws"). Seller will not violate, and will not cause Buyer to violate, any Export Control Laws (e.g. by transshipping goods through, or supplying goods or services from, sanctioned countries). Licenses or other authorizations required for the export of goods or services will be the responsibility of Seller unless otherwise indicated in this Contract, in which event Seller will provide such information as may be requested by Buyer to enable Buyer to obtain such licenses or authorizations.

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