

## SigmaTron International, Inc. INVOICE TERMS AND CONDITIONS OF SALE

### 1. DEFINITIONS.

"**Seller**" means SigmaTron International Inc.

"**Buyer**" means the purchaser identified by Seller in a Contract and all others liable as a purchaser under the Contract, and their agents, successors and permitted assigns.

"**Contract**" means these terms and conditions and those on the front of the Seller's Invoice, the Seller's Acknowledgment of Buyer's order and Seller's Quotation, any attachments, schedules or other writings annexed or referenced by Seller, and any future amendments or modifications of any of the foregoing agreed to by Seller.

"**DFM**" means Design for Manufacturing Services.

"**DFT**" means Design for Test Services.

"**Goods**" means the products identified in the Contract.

"**Services**" means the design, engineering or testing support services identified in the Contract and includes any deliverables that Seller is required to provide to Buyer that are related to the Services and identified in the Contract.

"**Materials**" means any parts, components, supplies or raw materials used or incorporated by Seller in the Goods.

"**Confidential Information**" means information the discloser considers confidential or proprietary, including processes, trade secrets, inventions and other know-how and financial, organizational, sales, manufacturing, technical and other non-public information. Confidential Information does not include information that (a) is in the public domain at the time it is disclosed, (b) is known to recipient at the time of disclosure without a breach of a confidentiality obligation, (c) was developed independently by recipient having no substantive knowledge of discloser's data, or (d) is disclosed pursuant to a requirement of law or an order of a court or other governmental agency of competent jurisdiction, if recipient first notifies discloser and cooperates in discloser's efforts to limit or contest such disclosure.

**2. ACCEPTANCE.** Seller's Quotation is valid for 30 days after issuance. All Buyer's orders for Goods or Services are subject to Seller's approval and are not deemed accepted until acknowledged in writing by Seller or the Goods are shipped or the Services performed. Sale of the Goods or performance of the Services is expressly made conditional on Buyer's assent to the terms and conditions of the Contract. Buyer assents to the terms and conditions of the Contract, including Seller's express warranty, applicable to the Goods or Services, by any of the following: (a) placing an order based upon or otherwise accepting Seller's Quotation; (b) receiving the Goods or Services after placing an order for any of the Goods or Services without promptly objecting to said terms and conditions in writing; (c) instructing or requesting Seller whether orally or in writing to begin work on any of the Goods or Services or to ship any of the Goods or Service deliverables after receipt of Seller's Acknowledgment or Quotation; or (d) accepting or paying for all or any part of the Goods or Services.

The Contract constitutes the entire agreement relating to Seller's sale of the Goods or Services and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations, warranties and communications, written or oral. Buyer is hereby notified of Seller's objection to any terms or conditions contained in Buyer's purchase order or other communications for the Goods or Services inconsistent with the Contract and to any additional provisions proposed by Buyer in submitting an order, and such provisions shall not become a part of the Contract unless accepted in writing by Seller.

Neither Seller's subsequent lack of objection to any such provisions, nor the shipment of Goods or the performance of Services, shall constitute or be deemed an agreement by Seller to any such provisions.

**3. SHIPMENT TERMS.** Buyer is responsible for all insurance, hoisting, rigging, transportation and shipping costs and all packing and crating other than Seller's standard commercial packing, and Buyer assumes all risks of and responsibility for loss, damage to, delay in shipment or non-delivery of the Goods or Service deliverables after their delivery to a common carrier or Buyer's designated shipper. Upon shipment by Seller, all risk of loss of Goods and Service deliverables shall pass to Buyer unless and until they are returned to and accepted by Seller, regardless of any breach of the Contract by Seller or nonconformities in the Goods or Service deliverables. Unless Buyer specifically instructs Seller in writing otherwise as to routes, carrier or other incidents of transportation, Seller is authorized to ship the Goods and Service deliverables in any manner reasonable or customary. Railway or carrier weights at point of shipment shall govern in the event of any disagreement between Seller and Buyer regarding same.

**4. PRICES.** All prices and shipments are F.O.B. Seller's plant, and are exclusive of all taxes and custom clearances and duties. Prices stated in Quotations are nonbinding estimates and are subject to adjustment or correction by Seller after receipt of Buyer's order. Prices stated or to be submitted are those currently specified in Seller's current price list and are subject to escalation until invoiced, unless expressly agreed otherwise. Buyer will be charged extra for all applicable taxes, custom clearances and duties, packing, special tests or inspections, insurance and shipping costs incurred by Seller, and will indemnify and save Seller, its successors and assigns harmless from any such amounts, including interest and penalties, unless prohibited by applicable law, rule or regulation. If Buyer claims an exemption from the imposition of any taxes, it will furnish Seller with certificates of resale or such other proof of such claim acceptable to applicable taxing authorities.

**5. ASSURANCES.** Production work, shipments, deliveries and performance are at all times subject to the approval of Seller, and Seller may at any time stop performance or work in process, refuse to make shipments, or instruct the common carrier or other third person in custody or possession of the Goods or Service deliverables to hold, store or return them to Seller if Buyer fails to make any payment or perform any other obligation owed to Seller when due or fails to provide adequate written assurances when requested by Seller upon Seller's reasonable insecurity about Buyer's ability to pay for the Goods or Services or otherwise perform its obligations under the Contract.

**6. PAYMENT.** Unless otherwise expressly provided in the Contract, terms of payment are net cash payable in United States funds within thirty (30) days from Seller's invoice date.

Seller shall invoice (a) on the date of shipment or performance, (b) earlier, if in Seller's judgment, Buyer has inappropriately delayed shipment or performance, or (c) in connection with an order's cancellation, modification, amendment or delay. Amounts not paid when due shall bear a finance charge of 1% per month or fraction thereof. Seller shall be entitled to all costs of collection, including reasonable attorneys', accountants', and paralegals' fees and expenses.

**7. INDEMNITY.** Buyer will indemnify and save harmless Seller, its successors, assigns, customers and agents against all loss, damages, liability, claims, demands and actions for (a) actual or alleged infringement of any United States or foreign Letters Patent, trademarks, copyrights, or other proprietary rights related to the sale or use of the Goods or Service deliverables or performance of the Services; and (b) the design application and all product liability that may result from the design, sale, use, or manufacture of the Goods or Service deliverables or performance of the Services in conformance with Buyer's specifications. Seller shall promptly notify Buyer as to any actual or threatened suit and Buyer shall either (i) upon written notice to Seller within thirty (30) days of Seller's notice, assume full control of the defense thereof; or (ii) pay or reimburse Seller for all of the Seller's actual costs and expenses, including attorneys' fees, in the defense of such action.

**8. WARRANTY.** With respect to Goods sold to Buyer, Seller warrants to Buyer that (a) the Goods will be manufactured according to Buyer's specifications provided to Seller under the Contract, and for twelve months from the date of delivery will be free from defects in workmanship under the current revision of IPC Standard A-610 (currently rev E) Class 2; and (b) Seller will test all Goods to Buyer's test specifications. Seller makes no warranty with respect to any Materials. With respect to Services performed for Buyer, Seller warrants to Buyer that Seller will perform the Services in a workmanlike manner, subject to Buyer's review, validation and approval.

**9. DESIGN.** Buyer assumes responsibility for final verification and testing of all Goods and Services. Production tooling, retooling, and laboratory fees for any Goods or Services sold to Buyer are Buyer's responsibility, as is the suitability of Buyer designed circuitry, software and mechanical designs.

**10. TECHNICAL ADVICE.** Seller may, upon Buyer's request and on such terms as agreed by Buyer and Seller, furnish technical advice with reference to the use or installation of the Goods if and to such extent as Seller has such advice available, but it is expressly agreed that there is no obligation to furnish such advice, and that if any advice or assistance is furnished, it shall be given and accepted at Buyer's risk, and Seller shall not be responsible or liable for the advice or assistance given or the results thereof. SELLER DISCLAIMS ALL WARRANTIES WITH RESPECT TO ITS TECHNICAL ADVICE, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**11. DFM AND DFT.** If requested by Buyer and on such terms as agreed by Buyer and Seller, Seller will review the design specifications and prototype of the Goods and provide suggestions for Buyer's consideration on DFM and DFT. Implementation of any such suggestions provided by Seller is optional in the sole discretion of Buyer. To the extent Buyer chooses to implement Seller's suggestions

for DFM and DFT, except as otherwise provided in the Contract, the rights incorporated in the Goods ordered shall be the property of Buyer. SELLER DISCLAIMS ALL WARRANTIES WITH RESPECT TO ITS SUGGESTIONS RELATING TO DFM AND DFT, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**12. MATERIALS AND INFORMATION DISCLAIMER.** Seller's sole obligation relating to Materials is to order Materials that are consistent with Buyer's specifications and are from Buyer's approved vendor list or through authorized distribution channels. The Goods and their Materials, and information related to specifications, uses, or conformance with legal or other requirements, including lead-free or ROHS information, are acquired by Seller from Buyer's approved vendor list, and Seller utilizes the Materials and provides Buyer with such information on an "as is" basis. Seller assumes responsibility only for placing orders for Materials that meet Buyer's specifications. Seller makes no representation or warranty that the Materials so acquired by Seller comply with Buyer's specifications or expectations or the vendor's specifications.

**13. KNOW-HOW.** Any ideas, know-how, intellectual property and other information owned or acquired by Seller or resulting from its performance under a Contract remain Seller's exclusive property and Buyer acquires no rights thereto unless specifically provided in a writing signed by Seller.

**14. DISCLAIMER OF WARRANTY AND LIMITATION OF LIABILITY.** IF THE GOODS OR SERVICES FAIL TO CONFORM TO SELLER'S EXPRESS WARRANTY IN SECTION 8, THEN SELLER'S ONLY LIABILITY AND RESPONSIBILITY SHALL BE, AT ITS OPTION IN ITS SOLE DISCRETION, TO REPAIR OR REPLACE THE NON-CONFORMING GOODS OR SERVICES OR TO CREDIT BUYER'S ACCOUNT FOR SO MUCH OF THE PURCHASE PRICE AS IS APPLICABLE TO THE NON-CONFORMING GOODS OR SERVICES. SELLER'S LIABILITY UNDER ITS EXPRESS WARRANTY IN SECTION 8 IS CONDITIONED ON, AND BUYER SHALL BE DEEMED TO HAVE WAIVED AND RELEASED SELLER FROM ALL WARRANTY LIABILITY UNLESS (a) SELLER IS NOTIFIED IN WRITING OF ANY DAMAGES TO, LOSS OF, DEFECT OR SHORTAGE IN, OR ANY OTHER CLAIM CONCERNING THE NONCONFORMING GOODS OR SERVICES PROMPTLY UPON DISCOVERY, AND IN NO EVENT LATER THAN TEN (10) DAYS AFTER DELIVERY OR PERFORMANCE FOR CLAIMS WHICH COULD HAVE BEEN DISCOVERED BY INSPECTION UPON DELIVERY OF THE GOODS OR PERFORMANCE OF THE SERVICES AND IN NO EVENT LATER THAN NINETY (90) DAYS AFTER DELIVERY OR PERFORMANCE FOR CLAIMS WHICH COULD NOT HAVE BEEN DISCOVERED BY INSPECTION UPON DELIVERY OR PERFORMANCE; (b) THE NON-CONFORMING GOODS OR SERVICES ARE RETURNED TO THE SELLER, POSTAGE AND SHIPMENT COSTS PREPAID, PROVIDED THAT BUYER SHALL NOT RETURN ANY OF THE GOODS OR SERVICES TO SELLER UNTIL SELLER HAS ADVISED BUYER OF THE DISPOSITION TO BE MADE OF THE GOODS OR SERVICES, AND (c) SELLER'S EXAMINATION OF THE GOODS OR SERVICES REVEALS TO THE SATISFACTION OF SELLER THAT THE CLAIMED DEFECT EXISTED AND WAS NOT THE RESULT OF ACCIDENT, MISUSE, NEGLIGENCE, ALTERATION, OR IMPROPER REPAIR, INSTALLATION, HANDLING, OPERATION OR TESTING. UPON ACCEPTANCE OF SUCH CLAIMS, SELLER WILL REIMBURSE REASONABLE COSTS OF TRANSPORTATION

FOR THE RETURNED GOODS OR SERVICES. Any damage, loss, or shortage occurring in transit shall be settled by Buyer with the carrier without offset of the purchase price of the affected items. In its notice to Seller of any claim concerning the Goods or Services, Buyer shall state in full particulars in support of its claim including a description of the alleged defect and the original purchase order number(s) of the Goods or Services. Buyer shall set aside, protect and hold any items that are the subject of its claim, without further processing, until Seller has an opportunity to inspect them and advise Buyer of the disposition, if any, to be made of them.

EXCEPT AS OTHERWISE EXPRESSLY STATED IN THE CONTRACT OR IN WRITING FURNISHED BY SELLER TO BUYER ACCOMPANYING DELIVERY OF THE GOODS OR SERVICES, SELLER DISCLAIMS ALL EXPRESS OR IMPLIED REPRESENTATIONS, WARRANTIES, OR OBLIGATIONS ON ITS PART TO BUYER OR ANY OTHER PERSON, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE. SELLER NEITHER ASSUMES NOR AUTHORIZES BUYER OR ANY OTHER PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE SALE OR SERVICING OF THE GOODS OR PERFORMANCE OF THE SERVICES. WITHOUT LIMITATION OF THE FOREGOING, SELLER DOES NOT AUTHORIZE, AND SPECIFICALLY PROHIBITS, BUYER OR ANY OTHER PERSON FROM MAKING ANY REPRESENTATIONS OR WARRANTIES ON SELLER'S BEHALF WITH RESPECT TO THE SALE OR SERVICING OF THE GOODS OR PERFORMANCE OF THE SERVICES.

IN NO EVENT SHALL SELLER BE LIABLE TO BUYER FOR LOSS OF PROFITS, LOSS OF OPPORTUNITY, LOSS OF USE, OR INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES OR FOR COSTS OF REMOVAL OR SHIPMENT, WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY, IN NEGLIGENCE, STRICT LIABILITY, PRODUCT LIABILITY OR OTHERWISE. UNDER NO CIRCUMSTANCES SHALL SELLER'S LIABILITY OR BUYER'S REMEDY EXCEED THE PURCHASE PRICE OF THE DEFECTIVE GOODS OR SERVICES. EVEN IF SELLER'S WARRANTY OR ANY OTHER OBLIGATION OF SELLER APPLICABLE TO THE GOODS OR SERVICES FAILS OF ITS ESSENTIAL PURPOSE, SELLER'S ONLY LIABILITY AND RESPONSIBILITY SHALL BE, AT ITS OPTION IN ITS SOLE DISCRETION, TO REPAIR OR REPLACE THE NON-CONFORMING GOODS OR SERVICES OR TO CREDIT BUYER'S ACCOUNT FOR SO MUCH OF THE PURCHASE PRICE AS IS APPLICABLE TO THE NON-CONFORMING GOODS OR SERVICES. THE PRICES STATED FOR THE GOODS OR SERVICES ARE BASED UPON AND IN CONSIDERATION FOR LIMITING SELLER'S LIABILITY. NO CLAIM OR ACTION ARISING OUT OF THE CONTRACT, BUYER'S ORDER OR OTHER DOCUMENT PERTAINING TO THE GOODS OR SERVICES, WHETHER IN CONTRACT, TORT OR OTHERWISE, MAY BE BROUGHT BY BUYER MORE THAN TWELVE MONTHS AFTER THE DATE OF SHIPMENT OF THE GOODS OR PERFORMANCE OF THE SERVICES.

**15. DELIVERY.** Delivery dates specified are desired and not promised dates. Seller shall endeavor promptly to fill Buyer's orders and perform Services, but Seller shall not be responsible for loss, damage, delay or failure if due to or arising from inability to obtain Materials for Goods, fires, labor strikes, disputes or similar action of any kind, accidents, breakdowns of machinery, perils of the sea, federal or state legislation or any regulations or orders thereunder, failure of manufacturers, sub-contractors or suppliers to provide services as agreed or contemplated by past dealings, failure to obtain import, export or other licenses, transportation difficulties of any kind, acts of God, acts of Buyer, war, civil commotion or any other contingencies reasonably beyond Seller's control, whether or not presently occurring or contemplated. In the event of any such delay, the date of delivery or performance shall be

extended for a period equal to the time lost by reason of the delay. By consenting to or accepting delivery of the Goods or performance of the Services, Buyer waives any and all claims against Seller for damages by reason of any delay, whether subject to Seller's control or not.

**16. INSTALLMENTS.** Seller reserves the right to make delivery or perform Services in installments, unless otherwise expressly stipulated herein. All such installments shall be separately invoiced and paid for when due, without regard for subsequent deliveries. Delay in delivery of any installment shall not relieve Buyer of its obligations to accept remaining deliveries or performance.

**17. MODIFICATION.** Buyer may not cancel, modify or amend any terms of the Contract or delay releases after the Goods ordered are in process, except with Seller's written consent and subject to timely receipt of all change orders and payment of Seller's invoice for (a) Seller's invoiced price for finished goods made obsolete by the change or delay, (b) Seller's cost in acquiring Materials made obsolete by the change or delay, and (c) Seller's costs incurred in storage, handling and assembly and added expenses such as cancellation fees charged by third parties, but not to include any Seller profit.

**18. SOLVENCY OF BUYER.** Buyer warrants and certifies to Seller that it is solvent, that it is able and intends to pay each of its obligations when due, that all checks, drafts and other items tendered to Seller will be honored in accordance with their terms, that all financial data and statements heretofore furnished by Buyer to Seller are accurate, complete and not misleading, and that no material adverse change in the financial affairs or condition of Buyer has occurred which has not been disclosed by Buyer to Seller. Buyer agrees to furnish to Seller upon reasonable request, certification, signed by a financial officer of Buyer, of the matters set forth above. Buyer acknowledges that this and any future representations of its solvency are relied upon by Seller and provided by Buyer to induce Seller to ship the Goods or perform the Services. In the event of any proceedings, voluntary or involuntary, in bankruptcy, or insolvency by or against Buyer, or in the event of the appointment, with or without the Buyer's consent, of an assignee for the benefit of creditors or of a receiver, then Seller shall be entitled to elect to cancel any unfulfilled part of the order evidenced by the Contract without any liability whatsoever, provided that any such cancellation shall in no way relieve Buyer of Buyer's responsibility to pay for that part of the order that was fulfilled.

**19. CONDITIONS NOT WAIVED.** Seller's failure to enforce or declare a default or breach with respect to any particular term or condition of the Contract shall not constitute a waiver of Seller's right to enforce or be protected by any other term or condition or, on a subsequent or other occasion, that particular term or condition.

**20. ALTERATION OF CONTRACT AND PAROL EVIDENCE.** The Contract is intended by Buyer and Seller as a final expression and a complete and exclusive statement of their agreement and may not be canceled, amended or otherwise modified without Seller's prior written consent.

**21. INVALID TERM.** The invalidity of any term of the Contract shall not affect any other of its terms.

**22. NON-ASSIGNMENT.** Buyer may not assign its rights under the Contract without the written consent of Seller and any such purposed assignment shall, at the election of Seller, be of no effect.

**23. CONFIDENTIALITY.** Seller and Buyer will not use or disclose any Confidential Information that it receives from the other except to perform its obligations under the Contract. The confidentiality obligation survives the Contract, delivery of Goods or performance of Services, and Confidential Information that is a trade secret is subject to the obligation until it is no longer a trade secret. In the event of any actual or threatened unauthorized use or disclosure, discloser may seek, in addition to any other remedies available to it, equitable remedies against recipient to prevent or restrain any violation. To the extent inconsistent with this section, the terms of a confidentiality agreement signed by Buyer and Seller control.

**24. GOVERNING LAW AND VENUE.** The Contract shall be construed in accordance with and governed by the internal law and not the conflict of law rules of the State of Illinois. Any action brought on any matter relating to the Contract shall be instituted and maintained only in a state or federal court of general jurisdiction in Cook County, Illinois, and each of Buyer and Seller waives any objection it may have to either the jurisdiction or venue of such court. Buyer and Seller irrevocably submit to jurisdiction and venue of such court.

**25. INTERPRETATION.** As used herein, “include”, “includes” and “including” are deemed to be followed by “without limitation.” References to the singular include the plural.

**26. INDEPENDENT CONTRACTOR; BENEFIT.** The relationship between Seller and Buyer is solely that of independent contractors and neither one is an agent, employee, co-employer, or joint venturer of the other. The Contract is for the benefit of Seller and Buyer only. Except as expressly provided herein, there are no intended third party beneficiaries to the Contract and Seller and Buyer are responsible for their own legal costs.