

## TERMS AND CONDITIONS OF SALE - CONSIGNMENT

These Terms and Conditions of Sale ("Consignment Terms") are specifically incorporated by reference into the Consignment Term Sheet ("Term Sheet") executed by the Anixter entity ("Anixter") and the Customer entity ("Customer") referenced in such Term Sheet, or in the absence of a Term Sheet, then to the applicable quote, BOM, or credit application (collectively, the "Quote"), and shall apply to any Anixter-owned product inventory ("Consigned Material") identified in the applicable Bill of Material ("BOM"), incorporated by reference. Any capitalized terms used herein and not defined shall have the meaning set forth in the Term Sheet, when applicable. If a conflict arises between the Consignment Terms, the Term Sheet, and/or the Quote, the Consignment Terms shall prevail. If a mutually executed agreement exists between Anixter and Customer governing the supply and use of the Consigned Materials, the terms and conditions of such agreement shall apply to the Consigned Materials. Anixter objects to and shall not be bound by any additional or different terms, whether pre-printed or otherwise, in any purchase order or other communication from Customer to Anixter, unless specifically agreed to in a writing signed by the parties and only with respect to those Consigned Materials intended to be covered by such executed document.

### 1. PAYMENT

1.1. Payment. Customer shall timely pay the amounts listed on each applicable Invoice no later than thirty (30) calendar days from the date of each Invoice. In the event Customer fails to pay any amounts when due, the maximum allowable service charge allowed by applicable laws shall be applied to all past due accounts commencing from the invoice due date until paid. Anixter reserves the right to modify or withdraw credit terms at any time without notice and to require guarantees, security interest or payment in advance of the amount of sale. Anixter may set-off any amount due from Customer to Anixter, whether or not under the Consignment Terms, from any amounts due to Customer under the Consignment Terms. The inability of Anixter to collect the purchase price from Customer for any Consigned Goods sold by Anixter to Customer shall not affect Customer's obligation to pay Anixter for any Consigned Goods. Anixter shall also be entitled, in addition to all other remedies available at law or in equity, to recover reasonable attorneys' fees and/or any other expenses incurred in collecting all outstanding amounts due from Customer. Customer is responsible for all credit risks and collecting payment for all Consigned Goods sold by Customer to any third party, whether or not Customer receives full payment from such third party.

1.2. Taxes. Any tax or other governmental charge upon the provision of services, or the production, sale, shipment, transfer, consumption, or use of the Consigned Material which Anixter is required to pay or collect from Customer shall be paid by Customer to Anixter, unless Customer timely furnishes Anixter with valid and current tax exemption certificates acceptable to and required by the applicable taxing authorities.

1.3. The Consignment Terms are subject to Anixter's security interest in the Consigned Material, as applicable. Customer may be asked to sign financing statements or other documentation. Customer will not, without Anixter's prior written consent, remove Consigned Material from the Premises except for consumption pursuant to the Consignment Terms. Customer shall maintain the Consigned Materials free and clear of and from and against all liens and encumbrances of any nature whatsoever. Customer shall indemnify and hold harmless Anixter from and against any loss or damage caused by acts of Customer which result in any such liens or encumbrances being placed upon any Consigned Materials, including all costs, fees and expenses incurred by Anixter in commencing or participating in such proceedings as are necessary for Anixter to defend its ownership interest in the Consigned Materials.

1.4. Anixter and/or its representatives shall have the right to enter the Premises, with a Customer escort, during normal business hours for purposes of inspecting and taking inventory of the Consigned Material and performing any other act that Anixter, in its judgment, deems necessary to protect its interests. Customer will provide Anixter with authorization and individual passkey to enter the Anixter Consigned Material Area.

1.5. It is Customer's responsibility to identify any freight damage, quantity or product discrepancies and to notify Anixter in writing within 24 business hours or the next business working day after receipt. All discrepancies must be resolved within 72 hours of receipt of notice. Anixter will provide Customer a packing slip with each delivery for reconciliation purposes. The packing slip will include Anixter's part number, purchase order number, invoice number and quantity. Unless otherwise agreed to in writing, quantities are subject to normal manufacturer allowances. In the case of wire and cable such allowances are plus 10% and minus 5%. In the case of Customer Managed Consignment, Customer is responsible for placing this inventory in the Anixter Consigned Material Area unless Customer notifies Anixter in writing of a shipment discrepancy.

1.6. The Consignment Terms are intended to be a true consignment agreement and the consignment created hereunder is intended to be a true consignment, where title to the Consigned Materials remains with Anixter until used or purchased by Customer.

### 2. WARRANTY

## TERMS AND CONDITIONS OF SALE - CONSIGNMENT

2.1. Anixter hereby transfers any and all transferable warranties made to Anixter by the manufacturer of the Consigned Materials and any intellectual property indemnity from the manufacturer of such Consigned Materials to Customer. Customer will inspect and accept the Consigned Materials upon delivery and will, within 5 business days of delivery, notify Anixter in writing of any defect in the Consigned Materials so that Anixter may place the Consigned Materials manufacturers on notice of the same, otherwise such Consigned Materials will be considered accepted. If Customer fails to notify Anixter of any defects within such 5 business-day period, whether or not any such inspection has been performed by Customer, the Consigned Materials shall be considered accepted. Customer's sole and exclusive remedy for any alleged defect, failure, inadequacy, or breach of any warranty related to Consigned Materials shall be limited to those warranties and remedies provided by the manufacturers of those Consigned Materials all of which are hereby assigned by Anixter to Customer.

2.2. CUSTOMER ACKNOWLEDGES THAT ANY DRAWING, SUGGESTION, ADVICE, OR RECOMMENDATION PROVIDED BY ANIXTER TO CUSTOMER IS PROVIDED "AS IS" AND FOR INFORMATIONAL AND CONCEPTUAL PURPOSES ONLY. CUSTOMER ACKNOWLEDGES THAT IN THE EVENT IT FOLLOWS ANY DRAWING, SUGGESTIONS, ADVICE OR RECOMMENDATION, IT DOES SO AT ITS OWN RISK. CUSTOMER AGREES THAT ANIXTER WILL NOT BE LIABLE FOR ANY DAMAGE OR LOSS (INCLUDING BUT NOT LIMITED TO, ANY OBLIGATION OF ANIXTER ARISING FROM TORT OR STRICT PRODUCT LIABILITY CLAIMS OR FOR LOSS OF USE, REVENUE OR PROFITS, OR CONSEQUENTIAL DAMAGES) SUFFERED BY CUSTOMER OR ANY THIRD PARTY, DIRECTLY OR INDIRECTLY, DUE TO ANY DRAWING, SUGGESTION, ADVICE, OR RECOMMENDATION PROVIDED BY ANIXTER.

2.3. THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF, AND ANIXTER DISCLAIMS AND CUSTOMER WAIVES, ALL OTHER WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND OF ANY OTHER TYPE, WHETHER EXPRESS OR IMPLIED, ARISING BY LAW (STATUTORY OR OTHERWISE). IN THE EVENT DISCLAIMER OF WARRANTY STATEMENTS ARE DISALLOWED IN THE GOVERNING JURISDICTION STATED BELOW, SUCH EXPRESS OR IMPLIED WARRANTIES SHALL BE LIMITED IN DURATION TO THE WARRANTY PERIOD (OR THE MINIMUM PERIOD REQUIRED BY THE APPLICABLE LAW).

### 3. TERM AND TERMINATION

3.1. The Consignment Terms will begin on the effective date of the Term Sheet and continue until terminated by either party as provided herein. Anixter may terminate the Consignment Terms and the Term Sheet for any reason upon sixty (60) days' prior written notice to Customer. Anixter may terminate the Consignment Terms and the Term Sheet immediately upon written notice to Customer if: (a) Anixter, in its sole discretion, becomes dissatisfied with the manner in which Customer is holding and caring for the Consigned Material, or (b) Customer is in default of any of its obligations to Anixter under this or any other agreement, or (c) a petition in a proceeding under any existing or future bankruptcy or similar law is filed by or against Customer, or (d) Customer becomes insolvent or admits in writing its inability to pay its debts generally as they become due or makes a general assignment for the benefit of its creditors, or (e) a receiver, trustee or liquidator is appointed to take charge of Customer or any part of its assets or business.

3.2. Upon termination: (i) if Anixter-owned Assets/Equipment are included in the BOM, Anixter will be granted immediate access to Customer's facility in order to take possession of the Anixter-owned Assets/Equipment such as Carts, Bins, Cable Racks, Wire Carousels, etc. as described in the BOM; (ii) if either party terminates the Consignment Terms with or without cause, Anixter will immediately ship to and/or invoice Customer for all Non-Standard Consigned Material that is deemed sold to Customer, and Customer will return all Standard Consigned Material in Customer's possession, which must be properly packed and in resalable condition, to such location as Anixter shall designate; however, Anixter reserves the right to reject such returns. Should any of the Standard Consigned Material be deemed as discontinued by the manufacturer at the time of termination, said Consigned Material shall be considered Non-Standard Consigned Material and will be invoiced to the Customer. In addition, Anixter shall have the right to enter the Premises, and take possession of any or all Standard Consigned Material. If the Consignment Terms are terminated pursuant to Section 3.1 above, Customer will pay (i) all transportation and insurance costs to return the Standard Consigned Material from the Premises to the Anixter designated location, and (ii) a 15% restocking charge for all Standard Consigned Material returned to Anixter. Any terms herein which by their nature should survive the termination of the Consignment Terms shall survive such termination.

**4. LIMITATION OF LIABILITY.** TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, IN NO EVENT SHALL ANIXTER BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS, REVENUES, BUSINESS, REPUTATION OR

## TERMS AND CONDITIONS OF SALE - CONSIGNMENT

FINANCING AND LOST OPPORTUNITY, HOWEVER ARISING. IN ADDITION, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANIXTER'S LIABILITY ON ANY CLAIMS FOR DAMAGES OR CHARGES ARISING OUT OF OR CONNECTED WITH THE CONSIGNMENT TERMS, OR THE MANUFACTURE, SALE, DELIVERY OR USE OF THE CONSIGNED MATERIAL SHALL NOT EXCEED THE PURCHASE PRICE OF THE SERVICE OR CONSIGNED MATERIAL THAT GAVE RISE TO THE CLAIM.

**5. INDEMNIFICATION.** Customer will defend, indemnify and save Anixter harmless from and against any and all losses, costs, expenses (including reasonable attorneys' fees), damages, and liabilities, arising from or in any manner relating to (i) a workers' compensation claim by Customer's employees, (ii) any third party claims for infringement of any U.S. patent or copyright of intellectual property infringement or any other claim arising out of the specifications furnished by Customer for use in the manufacture of the Consigned Materials; and (iii) any negligence or willful misconduct by Customer under the Consignment Terms.

### **6. MISCELLANEOUS**

6.1. Entire Agreement. The Consignment Terms, along with its exhibits, SOWs, BOMs, and Quotes, constitutes the entire, integrated agreement between the Parties with respect to the Consigned Materials, and shall apply to any purchases made by Consignee from Consignor of Consigned Materials. Any and all discussions, understandings, agreements, representations, courses of dealings, customs, and usages of trade heretofore made or engaged in by the Parties with respect to the subject matter hereof are hereby deemed to be merged into the Consignment Terms, which alone fully and completely expresses the Parties' agreement. Customer's acceptance or use of the Consigned Materials constitute acceptance of the Consignment Terms.

6.2. Force Majeure. Anixter shall not be liable for any failure to perform its obligations hereunder resulting directly or indirectly from, or contributed to by, acts of God, acts of Customer, acts of civil or military authorities, riots or civil disobedience, terrorism, wars, strikes or labor disputes, accidents, floods, fires, or interruptions in telecommunications services, inability to secure material or transportation Premises, dissolution of the manufacturer's business, acts or omissions of carriers, or any other circumstance beyond its reasonable control.

6.3. Modifications. The Consignment Terms may be updated periodically by Anixter. Each revision will be identified by the next revision number and effective date. Any subsequent revisions will be effective only to BOM issued on or after the date of the revision to such terms and conditions. Any proposal for additional or different terms in Customer's acceptance are expressly objected to and rejected and shall be deemed a material alteration thereof and the offer shall be deemed accepted by Customer without said additional or different terms.

6.4. Notices. All notices under the Consignment Terms shall be made in writing and be sent to the parties at the respective addresses in the Term Sheet or BOM, as applicable.

6.5. Compliance with Laws. Each Party shall comply with all applicable laws, statutes, rules and regulations, including but not limited to, all applicable export and import, anti-bribery and corruption, environmental protection, and health and safety laws. To the extent permitted under applicable law, each Party will indemnify and hold the other Party harmless for any damages arising from its violation of any such laws, statutes, rules, and regulations. In addition, Customer acknowledges that it has read, understands, and agrees to comply with Anixter's Business Partner Anti-Corruption Policy, which can be found at [www.anixter.com/BPPolicy](http://www.anixter.com/BPPolicy). Anixter reserves the right to update such policy at any time without prior written notice.

6.6. Insurance. Anixter requires that Customer procures and maintain, at its sole expense, the policy or policies of insurance set forth in the Anixter Supplier Insurance set forth on [www.anixter.com/ConsignmentInsurance](http://www.anixter.com/ConsignmentInsurance).

6.7. Assignment. The Consignment Terms shall inure to the benefit of and be binding on the parties hereto, their successors and assigns. Customer may not pledge, encumber or assign any of its rights or obligations hereunder without Anixter's prior written consent.

6.8. Waiver. No delay or failure by either party to exercise any right or remedy hereunder will constitute a waiver of such right or remedy unless in writing by such party. A waiver by a party of any breach or covenant shall not be construed as a waiver of any succeeding breach of any other covenant.

6.9. Governing Law. These Consignment Terms and the Term Sheet shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein (without regard to conflicts of law principles), and any dispute or controversy may only be brought for resolution in the courts located in Toronto, Ontario. The parties further agree that these Consignment Terms shall not be governed by the U.N. Convention on the International Sale of Goods, the application of which is expressly excluded. Anixter and Customer hereby consent to the exclusive jurisdiction and venue of such courts, and agree that they shall not contest or challenge the jurisdiction or venue of such courts.

## TERMS AND CONDITIONS OF SALE - CONSIGNMENT

6.10. Severability. If any provision of the Consignment Terms are held invalid or unenforceable, the remaining provisions of the Consignment Terms will remain in full force and effect, and the invalid or unenforceable provision will be limited or eliminated to the minimum extent necessary.

6.11. Confidentiality. The receiving party shall not disclose to any third party any confidential information it receives from the disclosing party for a period of two (2) years following the date of disclosure. Each party agrees that it will not use such confidential information in any way for its own account or the account of any third party, except as authorized under the Consignment Terms, the Term Sheet or other mutually executed agreement between the parties, and will protect such confidential information at least to the same extent as it protects its own confidential information. Either party may disclose confidential information to its auditors under an obligation of confidentiality no less stringent, or Anixter to its affiliates.

6.12. Audit. Inventory Review. (a) During the Term, Anixter may, upon reasonable prior written notice to Customer and no more than once per calendar year, audit Customer's records solely as it relates to the sale of Consigned Materials under the Consignment Terms. Such audit shall take place at Customer's designated Premises, and shall not unduly interfere with Customer's day-to-day business. Each Party shall be responsible for its own internal and external costs for conducting and supporting the audit process. (b) Upon 15 days prior written notice, Anixter shall have the right, from time to time, to conduct a complete physical inventory. The Parties will identify specific individuals and time frames when this physical inventory will take place. Customer will be responsible and deemed to have purchased for all Consigned Materials that are unaccounted for, stolen (including employee theft), damaged, lost, missing or otherwise short, not in a single unit of measure, or not in factory sealed packaging.. Anixter or its representatives shall have the right to enter the Premises, with a Customer escort, during normal business hours and shall not unreasonably interfere with Customer's business, for purposes of inspecting and taking inventory of the Consigned Materials and performing any other act that Anixter, in its judgment, deems necessary to protect its interests in the Consigned Materials. Customer will provide Anixter with authorization and individual passkey to enter the Premises where the Consigned Materials are kept. In the event that any inventory count reveals a discrepancy between the amount of Consigned Materials listed on Customer's cycle count reports and those found on Anixter's physical count, then the Parties will research and reconcile the discrepancy. Customer shall pay Anixter for such discrepancy pursuant to the payment requirement set forth in herein.

6.13. Further Assurances. Upon Anixter's reasonable request, Customer shall, at its sole cost and expense, execute and deliver all such further documents and instruments, and take all such further acts, as reasonably necessary to give full effect to the Consignment Terms.

6.14. Relationship of Parties. The Parties are independent contractors and will have no right to assume or create any obligation or responsibility on behalf of the other Party. Neither Party shall hold itself out as an agent of the other Party. The Consignment Terms will not be construed to create or imply any partnership, agency, joint venture, or business entity of any kind. Furthermore, Customer shall conduct all of its business relating to the processing of the Consigned Materials in Customer's name and at Customer's cost and expense, and nothing herein shall authorize or empower a Party to assume or create any obligation or responsibility whatsoever, express or implied, on behalf or in the name of the other Party, or to bind the other Party in any manner, or to make any representation, warranty, or commitment on behalf of the other Party.

6.15. Language. The parties have expressly requested that these terms and conditions and any agreement, proceedings, documents or notices related thereto or referred to therein be drafted and executed in the English language. Les parties aux présentes se sont expressément entendues pour que ces termes et conditions et tous contrats, procédures, documents ou avis s'y rapportant ou qui y sont mentionnés soient rédigés et signés en langue anglaise.

Effective as of June 1<sup>st</sup>, 2017  
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