

## CONSIGNMENT TERMS OF SALE

**COVID-19 STATEMENT.** THE IMPACTS OF COVID-19 CANNOT BE REASONABLY DETERMINED AT THIS TIME. ANIXTER'S QUOTES, AND ALL ORDERS AND SOWS DO NOT ACCOUNT FOR ANY POTENTIAL ADVERSE IMPACTS COVID-19 MAY HAVE ON ANIXTER'S PERFORMANCE OR OBLIGATIONS UNDER ANY ORDER OR SOW. IN THE EVENT OF ANY DELIVERY DELAYS, FAILURE TO PERFORM THE SERVICES, OR ADVERSE IMPACTS DUE TO A CURRENCY FLUCTUATION, ANIXTER RESERVES THE RIGHT FOR AN EQUITABLE ADJUSTMENT OF THE DELIVERY SCHEDULE AND PRICES HEREIN TO OFFSET THE EFFECTS OF COVID-19 DELAYS, WITHOUT FAULT OR PENALTY OF ANY KIND, AND CUSTOMER SHALL NOT BE ENTITLED TO ANY DAMAGES RESULTING THEREOF.

### **1. DEFINITIONS**

- 1.1. "Anixter" means the Anixter entity specified in the Term Sheet.
- 1.2. "BOM" means the applicable bill of material mutually agreed to by the parties.
- 1.3. "Confidential Information" means information received by the receiving party from the disclosing party which (a) is marked as "Confidential" or "Proprietary"; (b) if first disclosed orally or by visual observation is identified as confidential or proprietary at the time of such disclosure, and is reduced to writing and identified as confidential or proprietary by the disclosing party within thirty (30) days after such disclosure; or (c) would reasonably be considered confidential and/or proprietary under the circumstances surrounding disclosure.
- 1.4. "Consigned Material(s)" means those Anixter-owned products or goods described or specified in the applicable BOM.
- 1.5. "Consignment Terms" means these consignment terms of sale.
- 1.6. "Customer" means the person, firm or company named in the Term Sheet.
- 1.7. "Order" means a purchase order issued by Customer to Anixter hereunder for the purchase and/or use of the Consigned Material.
- 1.8. Any capitalized terms used herein and not defined shall have the meaning set forth in the Term Sheet, when applicable.

2. **SCOPE OF AGREEMENT.** These Consignment Terms govern the purchase and use of Consigned Materials by Customer from Anixter and, together with each BOM, Order and SOW, constitutes the entire, integrated agreement between the parties with respect to the subject matter of these Consignment Terms. If a conflict arises between these Consignment Terms, the Term Sheet, and/or the SOW, these 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. If Customer is accepting these Consignment Terms on behalf of another person or other legal entity, Customer represents and warrants that Customer has full authority to bind that person or legal entity to these Consignment Terms. Anixter objects to, and the parties shall not be bound by, any additional or different terms in any purchase order, portal, or other communication from Customer and these Consignment Terms prevail over any preprinted terms and conditions contained in any order or other document. Such additional or different terms shall be deemed a material alteration of these Consignment Terms and deemed void and unenforceable unless otherwise agreed to in a signed writing by both parties. The parties expressly disclaim the application or incorporation of the Uniform Commercial Code to the Term Sheet, any BOM, Order or SOW. Customer's or its Customer's acceptance or use of the Consigned Materials, or execution of an SOW or BOM, or placement of an Order, constitute acceptance of these Consignment Terms.

### **3. PRICING. PAYMENT.**

3.1. **Pricing.** The parties agree that the price for the Consigned Materials shall be set forth in the SOW. Notwithstanding anything to the contrary, Anixter shall notify Customer in writing (e-mail is acceptable) of any price change due to a manufacturer price increase,

at least 14 calendar days before such price change takes effect. Consigned Materials price changes due to adjustments in commodity pricing that directly impact the applicable manufacturer's purchase cost (e.g., copper, aluminum, steel), or price changes resulting from new or modified tariffs or duties, exchange rate fluctuations, shall both go into effect as of the applicable notice date. Anixter will honor pricing on any open quotations until such quotations expire. Any mathematical, stenographic, technical, or clerical errors are not binding on Anixter.

- 3.2. **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. Anixter reserves the right to require guarantees, security or payment in advance of shipment from any Customer. In the event Customer fails to pay the total purchase price within the time indicated on the face of the invoice, the entire outstanding balance due to Anixter on all invoices shall be accelerated and become due in full immediately and the maximum allowable charge and/or interest allowed by applicable laws shall be applied to all past due accounts commencing from the due date of the invoice until paid. Anixter shall also be entitled, in addition to all other remedies available at law or in equity, to recover reasonable attorneys' fees and/or other expenses in collecting the purchase price or otherwise enforcing or successfully defending these Consignment Terms. Anixter may set off any amount due from Customer to Anixter from any amounts due to Customer. Customer agrees to give Anixter at least seven (7) business days' notice if its financial position changes or it becomes a credit risk, intends to make an assignment for the benefit of creditors, file for relief under the U.S. Bankruptcy Code, or seek the appointment of a receiver. In which case, in addition to any other remedies available to Anixter, all amounts due to Anixter shall be accelerated and become immediately due and payable. In addition to any remedies that may be provided under these Consignment Terms or applicable state law, Anixter may exercise any and all reclamation rights and/or suspend or terminate any Order or SOW with immediate effect if Customer: (i) fails to pay any amount owed to Anixter when due, including but not limited to amounts owed under these Consignment Terms; (ii) has not otherwise performed or complied with any obligation owed to Anixter, including but not limited to any obligation under these Consignment Terms, in whole or in part; or (iii) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, to the extent permissible under law. 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.
- 3.3. **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.
- 3.4. 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 these 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

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participating in such proceedings as are necessary for Anixter to defend its ownership interest in the Consigned Materials.

- 3.5. 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.
- 3.6. 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.
- 3.7. 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.

#### **4. WARRANTY**

- 4.1. Anixter is a reseller of Consigned Materials only and agrees to 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. Consigned Materials are sold "as is" except to the extent the manufacturer or licensor honors any applicable warranty made by the manufacturer or licensor. 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. Anixter transfer and assign any and all transferable warranties made to Anixter by the manufacturer of the Consigned Materials to Customer. Customer agrees to contact Anixter prior to contacting the manufacturer or licensor. Customer's sole and exclusive remedy for any alleged non-conforming part, defect, failure, inadequacy, or breach of any warranty related to Consigned Materials shall be limited to those warranties and remedies provided by the manufacturers or licensor of those Consigned Materials. Customer agrees it is not entitled to any self-help remedy unless (i) Customer complies with the warranty notice instructions included herein and (ii) Anixter fails to respond within a reasonable amount of time to such warranty notice. In the event Customer directly provides notice of defective or nonconforming Consigned Materials to the applicable manufacturer of such Consigned Materials, Customer shall immediately notify Anixter of such notice, and engage Anixter on any and all discussions and actions to be taken with such manufacturer.
- 4.2. Customer acknowledges and agrees that any drawings, designs, suggestions, recommendations, or advice as to any products, software, or services (collectively, "Recommendation") are intended for informational purposes only and are provided "as is" and for informational and conceptual purposes only. Customer acknowledges that in the event it follows any such Recommendation, it does so at its own risk and agrees that Anixter will not be liable for any damage, claims, liabilities, or losses suffered by Customer or any third party,

directly or indirectly, due to Customer following any Recommendation provided by Anixter. Any legal or regulatory compliance obligations shall remain Customer's sole responsibility, and nothing herein is intended to shift such burden from Customer to Anixter.

- 4.3. The warranties described herein do not cover wear and tear and shall be ineffective and shall not apply to those Consigned Materials that have been subjected to misuse, abuse, neglect, accident, damage, improper installation or maintenance, including, but not limited to, the usage of the Consigned Materials not in accordance with the manufacturer's specifications or instructions.
- 4.4. 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, CONFORMITY TO ANY REPRESENTATION OR DESCRIPTION, PERFORMANCE, NON-INFRINGEMENT, 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, SUCH EXPRESS OR IMPLIED WARRANTIES SHALL BE LIMITED IN DURATION TO THE APPLICABLE WARRANTY PERIOD (OR THE MINIMUM PERIOD REQUIRED BY THE APPLICABLE LAW). EXCEPT AS OTHERWISE SET FORTH HEREIN, THE CONSIGNED MATERIALS ARE PROVIDED "AS IS".
5. **TERM AND TERMINATION**
- 5.1. 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 these Consignment Terms and the Term Sheet for any reason upon sixty (60) days' prior written notice to Customer. Anixter may terminate these 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. In the event either party terminates an Order, Customer shall not be entitled to any refund or credit of fees paid or payable hereunder.
- 5.2. 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 these 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; and (iii) any licenses granted therein shall also terminate. 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 these 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, (ii) a

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- 15% restocking charge for all Standard Consigned Material returned to Anixter, and (iii) purchase all Non-Standard Consigned Materials. Subject to the limitations and other provisions of Consignment Terms any provision that, in order to give proper effect to its intent, should survive such expiration or termination, shall survive the expiration or earlier termination of these Consignment Terms.
6. **LIMITATION OF LIABILITY.** TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY LOST PROFITS OR LOST REVENUE OR SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES, HOWEVER ARISING, EVEN IF THE PARTIES HAVE KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE; FURTHERMORE, TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW, NEITHER PARTY'S LIABILITY ON ANY CLAIMS FOR DAMAGES OR CHARGES ARISING OUT OF OR CONNECTED WITH THESE CONSIGNMENT TERMS OR THE MANUFACTURE, SALE, DELIVERY OR USE OF THE PRODUCTS, SOFTWARE, OR SERVICES SHALL EXCEED THE AMOUNT ACTUALLY PAID FOR THE PRODUCTS, SOFTWARE, AND SERVICES GIVING RISE TO THE CLAIM.
7. **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 these Consignment Terms.
8. **MISCELLANEOUS**
- 8.1. **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 these Consignment Terms, which alone fully and completely expresses the Parties' agreement. Customer's acceptance or use of the Consigned Materials constitute acceptance of these Consignment Terms.
- 8.2. **Force Majeure.** Anixter shall not be liable for any failure to perform its obligations under these Consignment Terms, SOWs, or BOMs resulting directly or indirectly from, or contributed to or by acts of God, acts of Customer, acts of terrorism, civil or military authority, epidemic or pandemic of contagious disease, fires, strikes or other labor disputes, accidents, floods, war, riot, inability to secure material or transportation facilities, hacking or other malicious attack, dissolution of the applicable manufacturer's business, acts or omissions of carriers, or any other circumstances beyond Anixter's reasonable control.
- 8.3. **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 is 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.
- 8.4. **Notices.** All notices under these 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.
- 8.5. **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 anti-corruption, anti-money laundering, anti-human trafficking and slavery, environmental protection, data privacy, trade sanctions, and health and safety laws and regulations. To the extent permitted under applicable law, Customer will indemnify and hold Anixter harmless for any damages arising from its violation of any such laws, statutes, rules, and regulations. To the extent Customer resells any Consigned Materials to another entity or person, Customer agrees to comply with all applicable laws and regulations that apply to sellers of products, including applicable imports, exports, customs, bribery, anti-slavery, and environmental protection laws. Furthermore, Customer will not use, transfer or access any Consigned Materials, or Services for end use relating to any nuclear, chemical or biological weapons, or missile technology unless authorized by the manufacturer and the U.S. Government by regulation or specific license. If Anixter receives notice that Customer is or becomes identified as a sanctioned or restricted party under applicable law, Anixter will not be obligated to perform any of its obligations under these Consignment Terms or an SOW or BOM if such performance would violate the applicable sanctions or restrictions. Equipment, systems, or services provided by Anixter may incorporate, include, or use telecommunications equipment, systems, parts, components, elements, or services that have sourcing restrictions depending on the intended use under section 889 of the National Defense Authorization Act for Fiscal Year 2019 (Pub. L. No. 115-232). 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.
- 8.6. **Privacy.** Each party must comply with all applicable laws governing the collection, use and disclosure of personal data (as defined by applicable data protection laws) and must obtain any required consents with respect to the handling of personal data. Customer shall comply with Anixter's Business Partner Privacy Policy published at [www.anixter.com/bpdataprivacy](http://www.anixter.com/bpdataprivacy), as updated from time to time. Customer acknowledges that Anixter is headquartered in the United States and that data collected by Anixter from Customer in connection with these Consignment Terms may, subject to the terms of these Consignment Terms, be transferred into and processed in the United States or other locations and expressly consents to such transfer and processing.
- 8.7. **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).
- 8.8. **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.
- 8.9. **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.
- 8.10. **Governing Law.** These Consignment Terms shall be governed according to the substantive laws of the State of Illinois, U.S.A. without regard to principles of conflicts of law thereof and shall not be governed by the U.N. Convention on the International Sale of Goods. If any dispute or controversy shall arise with respect to these Consignment Terms, the parties hereby consent to the exclusive

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jurisdiction and venue of the state or federal courts located in Chicago, Illinois, and agree that they shall not contest or challenge the jurisdiction or venue of such courts. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HERETO EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING ARISING IN OR CONNECTION WITH THESE CONSIGNMENT TERMS AND THE TRANSACTIONS CONTEMPLATED HEREIN.

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..

**Effective as of May 1st, 2020**

- 8.11. Severability. If any provision of these Consignment Terms is held invalid or unenforceable, the remaining provisions of these 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.
- 8.12. 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 these 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.
- 8.13. 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 these 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.
- 8.14. 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 these Consignment Terms.
- 8.15. 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. These 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,

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In the event the SOW specifically indicates that Anixter will provide Customer with a scanning tool or system to be used by Customer at Customer's Premises, the following additional terms shall apply and are incorporated by reference into these Consignment Terms:

- A. The scanning system is a web-based program that is used to manage the replenishment of inventory provided by Anixter. For purposes of this Agreement, a "Scanner" shall mean a handheld scanner or an internet connected handheld device with camera using Apple iOS or Google Android operating system for independent data collection. Customer will provide a compatible Scanner or, upon request, Anixter will lease Customer a Scanner.
- B. If applicable, Anixter will lease to Customer scanning hardware. Anixter will own all hardware provided by Anixter under these Consignment Terms and will provide support and maintenance for the length of this Agreement, as long as the hardware has not been damaged or altered by Customer or affected by any software virus. Anixter will replace, at Customer's expense, hardware provided by Anixter that is damaged, lost, or stolen due to Customer's actions or the result of a virus, and will charge Customer for the replacement cost of such hardware, plus installation expense.
- C. All Software is provided "as is" and Anixter DOES NOT WARRANT that the Software will be free of errors or defects, will meet Customer's needs, or will operate without interruption. Anixter DOES NOT WARRANT that the Software will provide fail-safe performance when used in hazardous environments, including any application in which the failure of the Software could lead directly to death, personal injury, or severe physical or property damage. Anixter will provide support and maintenance for the length of this Agreement, as long as the software has not been damaged or altered by the Customer or by any software virus. Any costs associated with maintenance that is necessary due to Customer's actions or the result of a software virus or spyware intrusion shall be Customer's responsibility. Anixter will not be held responsible for any virus, spyware or any other malicious outside attacks that may corrupt the Scanner. Customer is responsible for providing and maintaining antivirus, spyware and firewall software or hardware as needed for the Scanning System. Anixter will charge the Customer for the cost of support that is needed due to unauthorized corruption or alteration of any software related to the scanning system. "Software" means the computer programs, operating systems, interfaces, software-as-a-service, applications or other software embedded in the Scanner or included in the SOW.
- D. Customer is responsible for the set-up, maintenance, and all other associated expenses of a high-speed wireless Internet connection (e.g. DSL) throughout customer's premises identified in the Proposal or Statement of Work for the transaction of usage and replenishment data to the Anixter host site. The Internet connection must offer download speed that is at least 500 kbps and upload speed that is at least 500 kbps. Anixter assumes no liability for any transmission problems, and Customer is responsible for all costs related to data and electrical connectivity, as well as all costs required to wirelessly access the Internet via a reliable (99.95% uptime) Internet service provider. Customer will need the high-speed wireless Internet line prior to installation of the Scanning System by Anixter.
- E. If applicable, Customer shall be granted a limited license to use any Software strictly pursuant to the license agreement provided by the Software manufacturer, and Customer agrees to be bound by and comply, at all times, with any license terms pertaining to such software associated with the Software licensed hereunder. Unless otherwise agreed to in writing, Software associated with a Product is licensed and not sold to Customer. Customer shall (i) comply with any applicable laws, regulations, industry standards and third party rights in connection with its access to and use of the Software; (ii)

accept any license agreement provided by the Software manufacturer; (iii) use commercially reasonable and diligent efforts to protect user information collected by Customer's applications, including personally identifiable information, from unauthorized access or use (including through the maintenance of a commercially reasonable, accurate and not misleading privacy policy describing such principles) and will promptly report to Customers using Customer's applications, to the extent required by applicable law, and to Anixter details of any unauthorized access or use of such information; and (iv) display any attribution(s) required by the manufacturer as described in the documentation for the Software in accordance with these Consignment Terms and only for the purpose of fulfilling Customer's obligations under this section. Customer shall not: (i) transfer, assign or sublicense the Software, or its license rights thereto, to any other person, organization or entity, including through rental, timesharing, subscription, hosting, or outsourcing the Software, except as set forth herein; (ii) use the Software for any unauthorized purpose; (iii) attempt to create any derivative version thereof; (iv) remove or modify any marking or notice on or displayed through the Software or documentation; or (v) de-compile, decrypt, reverse engineer, disassemble or otherwise reduce same to human-readable form. In the event Software provided and accessed by Customer through the internet at a website provided by Anixter, Customer acknowledges and agrees that Anixter shall not be responsible for (i) Customer's access to the internet, (ii) any breaches of security, interruptions and/or interceptions of information or communication through the internet, and (iii) changes or losses of data through the internet. Further, Customer acknowledges that security of transmissions over the internet cannot be guaranteed.