

**PAL Commercial Lighting LLC  
Terms and Conditions**

**Terms and Conditions Applicable to Customers (“Customer Terms and Conditions”)**

**THE FOLLOWING TERMS AND CONDITIONS APPLY WHEN YOU PURCHASE  
GOODS OR SERVICES FROM PAL COMMERCIAL LIGHTING LLC.**

PAL Commercial Lighting LLC (“PAL Commercial Lighting”, “we”, “our”, or “us”) is engaged primarily in the business of serving as a distributor of lighting and water feature products, including but not limited to pool lighting, landscape lighting, strip lighting and pool water features, manufactured by third parties, and provides certain related ancillary services (referred to in this paragraph as our “Sales Business”).

1. **Governing Terms.** Except as otherwise prohibited by applicable law, by browsing, visiting, accessing or otherwise using our website, issuing a release from us, requesting a quote for or information about our products, establishing a line of credit with us, or accepting the products we sell or services we provide, you agree that any products and services provided by or on behalf of PAL Commercial Lighting to you or any of your affiliates or subsidiaries (collectively, “Customer” or “you”) will be governed solely by these Customer Terms and Conditions,. Such Customer Terms and Conditions shall control irrespective of any conflicting or additional terms and/or conditions contained or referenced in any order, quotation, invoice, website, release, correspondence, request, acknowledgement or any other written or electronic document or form (including any of Customer’s terms and conditions, including any “click-through”, “click-wrap”, “click-to-agree” or other terms or conditions PAL Commercial Lighting is required to agree to in the course of these Customer Terms and Conditions or during the term of PAL Commercial Lighting’s relationship with Customer as a customer of PAL Commercial Lighting, modify this Customer Terms and Conditions) issued or provided by or on behalf of any Customer, including, without limitation, during the course of dealing or performance between us and any Customer (“Conflicting or Additional Terms”). **Any such Conflicting or Additional Terms are hereby expressly rejected and deemed void and of no force and effect, and PAL Commercial Lighting’s acknowledgment and/or acceptance of any order shall not be construed in any way as an acceptance or acquiescence to any such Conflicting or Additional Terms or a waiver of these Customer Terms and Conditions provided herein. These Customer Terms and Conditions shall only be modified, supplemented, amended, waived or superseded by express written consent of an authorized representative of PAL Commercial Lighting who is either a Vice President or C-Level executive.** No course of performance, course of dealing, or usage of trade shall operate as be relevant to explain, supplement or modify any express provision of these Customer Terms and Conditions.

2. **Payment Terms.** You agree to make payment for any products or services we provide to any Customer within thirty (30) days from date we send you an invoice (the “Payment Date”) unless otherwise expressly agreed by PAL Commercial Lighting and Customer in writing; provided, however, we may, in our sole discretion, require full payment in cash before order entry, shipment, or delivery. Any payment not timely made shall incur an additional late fee of 1.5%, or the maximum lawful rate, whichever is lower, of the outstanding invoice balance and any accrued

interest for each 30-day period or portion thereof past due. Customer shall be liable for all costs of collecting past due amounts, including, but not limited to, legal expenses (including attorney's fees), legal interest, and collectors' expenses. In the event any Customer fails to make full payment of amounts owed or PAL Commercial Lighting believes that Customer will not make payment, PAL Commercial Lighting may, in its sole discretion: (a) defer, withhold, or cancel shipments and/or orders; (b) require Customer to make payments in advance (and in cash); and/or (c) require Customer to make immediate payment of all amounts due to PAL Commercial Lighting, take any action it deems necessary to pursue collection of such amounts, and/or require Customer to reimburse PAL Commercial Lighting for any collection costs (including attorneys' fees and costs of collection). PAL Commercial Lighting shall also have the right to impose, revoke, or revise Customer's credit limits, if any, at any time and for any reason. Customer shall give PAL Commercial Lighting current credit information, past and current financial statements, and proper authorizations for PAL Commercial Lighting to request financial information on Customer (including its subsidiaries and affiliates) from third parties, in each case, within five (5) days of request from PAL Commercial Lighting as a condition to beginning and/or continued credit extension or for any other reasonable purpose. All amounts and payments are in U.S. dollars. PAL Commercial Lighting may set-off and/or deduct for any sums owed by Customer (including its subsidiaries and affiliates). Customer has no right to withhold or set-off amounts against PAL Commercial Lighting or its affiliates.

3. Deliveries and Risk of Loss. If PAL Commercial Lighting is unable to fulfill Customer's entire order in full, Customer agrees to accept pro rata or partial deliveries in commercial units of any product(s) as full performance under Customer's order. All goods shall be shipped EX WORKS at PAL Commercial Lighting's warehouse, prepaid and billed, unless otherwise agreed by PAL Commercial Lighting in writing. Customer agrees that title and risk of loss shall pass to Customer once tendered for delivery to the carrier. If any goods are damaged while in transit, Customer agrees that PAL Commercial Lighting is not liable for such damage and that Customer's sole recourse is to file a claim with the carrier. Customer understands that delivery dates are estimates only and PAL Commercial Lighting shall not be liable for any late or delayed delivery.

4. Warranties and Disclaimer.

(a) Customer acknowledges and agrees that PAL Commercial Lighting is not a manufacturer and is solely a distributor and that PAL Commercial Lighting is not, except as otherwise expressly provided in Section 11 below, responsible for the manufacture, design, or fabrication of any materials, equipment, tools, or other goods provided by or on behalf of PAL Commercial Lighting, including for any defects therein. Customer agrees that PAL Commercial Lighting is not liable for any defects in labeling, instructions, information, or packaging provided by the manufacturer or other secondary sources. Any warranty issued by the manufacturer shall be solely that of the manufacturer and not of PAL Commercial Lighting. PAL Commercial Lighting warrants good title to the goods to Customer and shall assign to Customer, effective upon transfer of such title, all warranties of the manufacturer that are assignable by PAL Commercial Lighting. PAL Commercial Lighting authorizes Customer to initiate or settle any claims under such manufacturer's warranties directly with any such manufacturer. Customer acknowledges that each jurisdiction's laws, regulations, rules, standards, ordinances and/or codes ("Laws") may vary regarding product labeling, instructions, specifications, warnings, manufacture, installation,

construction, zoning, and/or use of products for a specific purpose; therefore, Customer understands and agrees that certain products may not be appropriate for all applications or areas and that Customer is solely responsible for ensuring compliance with all such Laws. Customer agrees to comply with all applicable Laws including Laws in respect of imports, exports, imports, trade, child labor, affirmative action, anti-corruption, anti-bribery, conflict minerals, economic or financial restrictions, trade embargoes and any amendments thereto imposed by any applicable governmental authority, including, where applicable, the United States and the European Union. Customer agrees to indemnify, defend, and hold harmless PAL Commercial Lighting, for any breach of Laws by Customer or its affiliates, subsidiaries, directors, officers, managers, shareholders, members, employees, contractors, agents or representatives. Customer agrees that it shall not, except as otherwise permitted under applicable Laws, re-export, transship or otherwise divert goods purchased from PAL Commercial Lighting. If applicable, Customer shall timely provide all documentation and other information necessary for the export, shipment and import of any goods or units thereof. PAL Commercial Lighting shall not be liable, and Customer shall hold harmless, defend and indemnify PAL Commercial Lighting for any delays, expenses, costs, claims or other losses resulting from Customer's failure to timely provide accurate documentation, information, export/import reviews, or any related permitting procedures. Except as otherwise required by Law, Customer shall notify PAL Commercial Lighting immediately upon becoming aware of any claim, action, suit, proceedings or investigation ("Claim") against Customer or PAL Commercial Lighting with respect to the Laws brought by any enforcement authority and provide reasonably detailed information regarding such Claim. PAL Commercial Lighting reserves the right to immediately terminate its relationship and/or any contract with Customer without liability in the event that PAL Commercial Lighting believes, acting in good faith, that Customer has violated, will violate, or is under investigation for violating, any Laws, or in the event that Customer is identified on any applicable sanctions list.

(b) EXCEPT FOR THE WARRANTIES OF TITLE ABOVE AND EXCEPT AS OTHERWISE REQUIRED BY APPLICABLE LAW, PAL COMMERCIAL LIGHTING MAKES NO EXPRESS OR IMPLIED WARRANTY, AND DISCLAIMS ALL OTHER WARRANTIES, INCLUDING, ANY WARRANTY OF NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR PARTICULAR PURPOSE, ANY WARRANTY AGAINST DEFECTS IN MATERIALS, DESIGN, OR WORKMANSHIP, AND ANY WARRANTY ARISING BY COURSE OF PERFORMANCE OR DEALING OR COURSE OF USAGE OF TRADE. CUSTOMER'S SOLE REMEDIES AGAINST PAL COMMERCIAL LIGHTING FOR BREACH OF WARRANTY ARE, AT PAL COMMERCIAL LIGHTING'S OPTION, REPLACEMENT OR REPAIR FOR GOODS, REPERFORMANCE FOR SERVICES, OR CREDIT OF THE PURCHASE PRICE PAID, WHICH REMEDIES MAY ONLY BE EXERCISED WITHIN ONE (1) YEAR OF PERFORMANCE (FOR SERVICES) OR SHIPMENT (FOR GOODS); PROVIDED, THAT PAL COMMERCIAL LIGHTING SHALL HAVE NO OBLIGATIONS UNDER THIS SECTION 4(b) UNLESS CUSTOMER PROVIDES PAL COMMERCIAL LIGHTING WITH WRITTEN NOTICE OF THE NON-CONFORMITY IN THE GOOD OR SERVICE WITHIN THIRTY (30) DAYS OF CUSTOMER'S INITIAL DISCOVERY.

5. LIMITATIONS OF LIABILITY. THE PARTIES AGREE THAT, TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL PAL COMMERCIAL LIGHTING

BE LIABLE TO CUSTOMER, ITS SHAREHOLDERS, MEMBERS OR AFFILIATES, OR ANY OF THEIR RESPECTIVE OFFICERS, EMPLOYEES, CONTRACTORS, DIRECTORS, CUSTOMERS, AGENTS, ASSIGNEES, OR REPRESENTATIVES, FOR: (A) ANY CONSEQUENTIAL, SPECIAL, EXEMPLARY, PUNITIVE, LIQUIDATED, INCIDENTAL, OR INDIRECT DAMAGES, INCLUDING, ANY LOSS OF PROFITS, TIME, DATA, USE, OR INCOME, WHETHER IN TORT, CONTRACT, OR OTHERWISE RESULTING FROM ITS PERFORMANCE, DELAY OR NONPERFORMANCE, AND IRRESPECTIVE OF WHETHER PAL COMMERCIAL LIGHTING HAD NOTICE OF ANY POSSIBILITY THEREOF; AND/OR (B) ANY CLAIMS ARISING OUT OF MISUSE, ORDINARY WEAR AND TEAR, ABUSE, MISAPPLICATION, MISREPAIR, IMPROPER SELECTION, MODIFICATION, UNAUTHORIZED COMBINATION, FAILURE TO MAINTAIN, AND/OR IMPROPER INSTALLATION OF GOODS.

6. PAL COMMERCIAL LIGHTING'S MAXIMUM LIABILITY. CUSTOMER HEREBY EXPRESSLY AGREES THAT, TO THE MAXIMUM EXTENT PERMITTED BY LAW, PAL COMMERCIAL LIGHTING'S AGGREGATE LIABILITY TO CUSTOMER FOR ANY CLAIMS ATTRIBUTABLE TO ANY GOODS OR SERVICES PROVIDED BY PAL COMMERCIAL LIGHTING SHALL NOT EXCEED THE AMOUNT PAID FOR THE GOODS OR SERVICES GIVING RISE TO SUCH CLAIMS.

7. Governing Law; Limitations; Dispute Resolution. THE PARTIES ACKNOWLEDGE THAT SOME STATES PROHIBIT LIMITATIONS ON ANY IMPLIED WARRANTIES AND/OR ANY EXCLUSION OR LIMITATION OF CERTAIN ALLOWED DAMAGES AND THAT ACCORDINGLY SOME OR ALL OF THE EXCLUSIONS, DISCLAIMERS AND/OR LIMITATIONS CONTAINED IN THESE SALE TERMS AND CONDITIONS MAY NOT APPLY AND OTHER RIGHTS MAY BE AVAILABLE. The validity, interpretation, and performance of these Customer Terms and Conditions, and any dispute connected with the purchase and sale of goods and/or provision of services by PAL Commercial Lighting, shall be governed and construed in accordance with the laws of the State of Texas, without regard to any conflict of laws principles. The parties agree that the provisions of the Uniform Commercial Code as adopted by the State of Texas shall apply, with no application of the 1980 United Nations Convention on Contracts for the International Sale of Goods. The parties shall exercise their best efforts to resolve by negotiation any and all disputes, controversies, or differences arising out of or relating to these Customer Terms and Conditions or the goods or services provided by or on behalf of PAL Commercial Lighting to Customer in connection herewith. All disputes, controversies or differences between the parties that are not settled by negotiation shall be decided by litigation in the appropriate State or Federal Courts located in Texas. Notwithstanding the foregoing, any legal action by Customer concerning these Customer Terms and Conditions and/or any goods or services provided by or on behalf of PAL Commercial Lighting must be commenced within one (1) year after the cause of action has arisen.

8. Returns. Returns will only be accepted if PAL Commercial Lighting provides prior written approval, in its sole discretion, to Customer and only if Customer returns the product in resalable condition in the original, undamaged manufacturer's package and with the original sales receipt or invoice, provided that any custom or factory special orders, or products that were otherwise altered or fabricated to accommodate Customer are not eligible for a refund. Any credit to Customer will

be based on the Customer's purchase price for the returned item less any restocking fees, freight, insurance and other expenses of disposal. Customer is obligated to and shall investigate each of its potential end users to determine if any such end users are legitimate purchasers and shall be obligated to make payment on any orders placed by Customer on behalf of any end users, regardless of whether the end user is determined to be fraudulent, criminal, or otherwise fails to pay for any goods delivered or ordered.

9. Taxes and Other Governmental Amounts. Customer shall be responsible and pay all taxes, duties, imposts, tariffs, fines, import and export fees, penalties, and similar charges assessed or levied by a government authority or agency in connection with any goods and/or services provided by or on behalf of PAL Commercial Lighting or an affiliate of PAL Commercial Lighting to Customer. Unless otherwise expressly agreed by PAL Commercial Lighting in writing, such charges are in addition to the price of goods or services and will be added to amounts due by Customer. Customer shall be pay all additional taxes, tariffs, duties, imposts, import and export fees, fines, penalties, and similar charges due to a taxing or other governmental authorities or agencies, and all legal expenses incurred by PAL Commercial Lighting, where arising due to changes in such amounts between the date of order and shipping or from incomplete or inaccurate documentation or other information furnished by or on behalf of Customer or any of its affiliates.

10. Force Majeure. Neither PAL Commercial Lighting nor any of its affiliates shall be liable for any delay, inability to perform, or impairment of PAL Commercial Lighting's performance, in whole or in part, that occurs in connection with any event, circumstance, or occurrence outside of PAL Commercial Lighting's control within the normal course of its business, including any acts of God, labor disruptions, fires, accidents, explosions, acts of war, acts of terrorism (actual or threatened), imposition of increased charges or changes to duties, taxes or tariffs, governmental decrees, regulations or controls, epidemics, insurrections, quarantines, severe weather, catastrophic events, shortages, communication or power failures, inability to ship or procure products or raw materials, or obtain any licenses or permits (collectively, "Force Majeure"). If PAL Commercial Lighting's performance is delayed, impaired, prevented, or impacted, by any Force Majeure, shall be entitled to (i) delay, suspend or terminate its performance; or (ii) increase pricing or adjust schedules for delivery or performance, in each case, without incurring any liability or penalty.

11. Hazardous Substances. Customer acknowledges that neither PAL Commercial Lighting nor any of its affiliates has created or contributed to the existence, manufacturing or other creation of any hazardous or dangerous conditions or substances Customer's or its customers' or user's locations, and PAL Commercial Lighting's compensation hereunder is not commensurate with the potential risk of loss or injury that may be caused by exposure to, contamination by, or the presence of such substances or conditions.

(a) OSHA HAZARDOUS SUBSTANCE & CALIFORNIA PROPOSITION 65 PRODUCT INFORMATION— Material Data Safety Sheets ("MSDS") for OSHA-defined hazardous substances are available at your local PAL Commercial Lighting office, or by contacting PAL Commercial Lighting's U.S. corporate headquarters in Houston, Texas, PAL Commercial Lighting makes no warranty or representation with whether the information in the MSDS is accurate or the recommendations in the MSDS are suitable, which determinations are generally provided by

applicable manufacturers. Except to the extent required by applicable law, PAL Commercial Lighting hereby disclaims any and all liability to Customer or any consumer or user of any goods with respect thereto. Proposition 65 is a California law requiring the state to maintain a list of chemicals that may cause birth defects, cancer, reproductive harm. PAL Commercial Lighting will attempt to provide a reasonable warning before potentially exposing Californians to such chemicals; however, Customer acknowledges and agrees that PAL Commercial Lighting is a distributor and not a manufacturer of goods and that PAL Commercial Lighting thus makes no warranty with respect to the reasonableness, accuracy, or suitability of the information or warnings provided in connection therewith, it being understood and agreed that such information and warnings are provided by the applicable manufacturers. Thus, to the maximum extent permitted by applicable law: (i) PAL Commercial Lighting disclaims any and all liability with respect thereto; and (ii) Customer hereby releases PAL Commercial Lighting and its parent and affiliates from and for any and all claims, penalties, fines and damages arising from or in connection therewith, it being agreed that Customer's sole recourse under Proposition 65 shall be against the applicable manufacturer. To learn more about Proposition 65, please visit [www.oehha.ca.gov](http://www.oehha.ca.gov)

(b) MATERIALS OF TRADE — Customer represents that if it is purchasing goods as its "materials of trade" as defined in the Hazardous Materials Regulations in Title 49 of the Code of Federal Regulations, that (a) the goods will only be used to directly support of its business, (b) it's business is not transportation, and (c) the goods will neither be resold nor transported in any vehicle except one owned by itself.

12. Intellectual Property. Customer acknowledges and understands that it shall have no right, title, or interest in or to any trademarks, tradenames, patents, trade dress, product names, copyrights, domain names, catalogs, or other intellectual property rights ("IP Rights") owned by PAL Commercial Lighting or any of its affiliates, or to any such IP Rights of any manufacturers or sub-suppliers of any of the products provided by or on behalf of PAL Commercial Lighting pursuant hereto.

13. Assignment and Third Party Beneficiaries. Customer's rights hereunder or to any order (or interest therein) shall not be assignable unless PAL Commercial Lighting provides prior written consent, and any attempted or actual assignment shall be null and void ab initial, shall not be enforceable and shall entitle PAL Commercial Lighting to cancel any or all orders or portions thereof. These Customer Terms and Conditions are solely for the benefit of Customer and PAL Commercial Lighting and no other person or party is conferred any rights, benefits or claims.

15. Severability. If any term, provision, or subsection in these Customer Terms and Conditions is found to be invalid, illegal, or unenforceable, such term, provision or subsection shall be excluded to the extent it is invalid, illegal, or unenforceable and all other terms, provisions, and subsections hereof shall be valid and remain in full force and effect; provided, however, that to the extent permitted by applicable law, any excluded provision shall be replaced by one that is legal, valid and enforceable and is closest to expressing such term, provision, or subsection.

16. Entire Agreement. These Customer Terms and Conditions, together with any credit application, and the commercial and technical terms of PAL Commercial Lighting's quotations, forms, acknowledgements, and invoices, constitute the entire agreement between PAL

Commercial Lighting and Customer, with any conflict therein being resolved in favor of the terms and conditions that are more onerous on the Customer, as determined by PAL Commercial Lighting in its sole discretion. Clerical or typographical errors contained in these Customer Terms and Conditions or in any quotation, acknowledgement, or publication provided by PAL Commercial Lighting are subject to correction by PAL Commercial Lighting, in its sole discretion.

## **Terms and Conditions of PAL Commercial Lighting LLC Applicable to Sellers**

### **THESE TERMS AND CONDITIONS APPLY WHEN WE BUY GOODS/SERVICES FROM YOU.**

1. Acceptance of Terms. The following constitutes your (“Seller” or “you”) acceptance of these Terms and Conditions of Purchase (“PAL Commercial as Buyer T&Cs”) of PAL Commercial Lighting LLC (“PAL Commercial Lighting”, “we”, “us”, “our”, “Buyer”): (a) the execution or acknowledgement by Seller or any of its representatives, agents or employees (each, a “Representative”), of a purchase or service order from PAL Commercial Lighting (an “Order”); or (b) the commencement of performance of the Order (including, for example, promising or commencing performance) by Seller or any of its Representatives; provided, however, that we may treat the offer made by the Order as having lapsed before your acceptance if you fail to accept within a reasonable period of time. Except as provided in Section 3 (only as to an extended warranty period) and Section 11 below, Orders shall be governed exclusively by, and your acceptance of any Orders is expressly limited to, these PAL Commercial as Buyer T&Cs, and the PAL Commercial as Buyer T&Cs shall control regardless of any additional or conflicting terms and/or conditions contained or referenced in any order, website, release, quotation, invoice, correspondence, request, acknowledgement or any other written or electronic document or form (including any “click-through”, “click-wrap”, “click-to-agree” or other terms or conditions of Seller to which PAL Commercial Lighting is required to agree to in the course of these PAL Commercial as Buyer T&Cs or during the term of PAL Commercial Lighting’s relationship with Seller) issued or provided by or on behalf of any Seller, including, without limitation, during the course of dealing or performance between us and Seller (“Seller Conflicting or Additional Terms”). **PAL Commercial Lighting hereby expressly rejects and objects to any such Seller Conflicting or Additional Terms either prior or subsequently proposed by Seller or any of its Representatives, and all such Seller Conflicting or Additional Terms are hereby deemed void and of no force and effect. PAL Commercial Lighting’s placement, acknowledgment and/or acceptance of any Order shall not be construed in any way as an acceptance or acquiescence to any such Seller Conflicting or Additional Terms or a waiver of these PAL Commercial as Buyer T&Cs provided herein. These PAL Commercial as Buyer T&Cs shall only be modified, supplemented, amended, waived or superseded by express written consent of an authorized representative of PAL Commercial Lighting who is either a Vice President or C-Level executive.** No course of performance, course of dealing, or usage of trade shall operate as be relevant to explain, supplement or modify any express provision of these PAL Commercial as Buyer T&Cs, and any references to Seller’s bid, proposal or quote shall not constitute PAL Commercial Lighting’s acceptance of any legal terms or conditions thereof.

2. Orders. Orders from PAL Commercial Lighting may be issued either electronically or in writing. The purchase price for goods sold to PAL Commercial Lighting by Buyer (“Products”) and services sold to PAL Commercial Lighting shall be as listed on the Order or as otherwise agreed in writing by the parties. PAL Commercial Lighting will pay valid, undisputed invoices within sixty (60) days of PAL Commercial Lighting’s receipt. PAL Commercial Lighting may cancel or change Orders without penalty by notifying Seller or any of its Representatives by email, telephone or other correspondence of such cancellation or change at least ten (10) days prior to the date the Order is delivered by Seller. If any change will increase the price or delay the delivery date, Seller shall provide PAL Commercial Lighting of any such increase or delay in writing (with reasonable supporting documentation) within three (3) days of receiving PAL Commercial Lighting’s request or such change shall be deemed accepted without any modification to the original price or delivery date. PAL Commercial Lighting must approve in writing any increase to the price and/or change in delivery date resulting from a change request and any substitutions to the order. Except as otherwise agreed by PAL Commercial Lighting, all Products will be tendered by Seller in a single delivery unless otherwise agreed and shipments shall be F.O.B. (INCOTERMS 2010) PAL Commercial Lighting’s designated destination or otherwise in accordance with any shipping terms provided in the Order. Seller shall (a) be solely responsible for and pay the costs of any packing, shipping and/or handling any Products unless otherwise stated in the Order and agreed in writing by PAL Commercial Lighting, and (b) pay, indemnify, reimburse and hold harmless PAL Commercial Lighting for any damaged Products resulting from improper packing, shipping, handling or marking. Itemized packing lists shall accompany each shipment of Products, and PAL Commercial Lighting’s tally of such Products will be final and conclusive absent manifest error on any shipments not accompanied by Seller’s itemized packing list. Seller shall notify PAL Commercial Lighting promptly, but in no event more than two (2) days of becoming aware, of any actual or anticipated delays and shall use its best efforts, without additional cost to PAL Commercial Lighting, to avoid or reduce any delays.

3. Seller represents, warrants, and covenants that: (i) all Products conform to Seller's standard technical specifications and any descriptions, specifications, drawings and standards provided by PAL Commercial Lighting or otherwise agreed to by Seller; (ii) it owns and has and will transfer, free and clear of all liens, claims and encumbrances of any kind, good title and ownership to all Products the subject of an Order to PAL Commercial Lighting upon delivery;; (iii) all Products will be new, fit for their respective purpose(s) normally intended (or specifically intended if such intent is communicated to Seller in the Order or otherwise), (iv) all Products and services will meet the highest industry standards applicable and will be free from all design, workmanship and/or material defects; (v) none of the Products nor their sale, lease, use, and/or distribution will misappropriate, infringe, or otherwise violate any copyrights, service marks, trade secrets, patents, patent rights, trademarks, or other intellectual property rights of any third party; (iv) it will utilize all necessary or desirable protective equipment and devices, whether suggested or required by safety associations, government agencies, municipalities or otherwise; (vi) that all services shall be performed in a good and workmanlike manner, with the utmost skill, care and diligence, in accordance with the terms hereof and good industry standards of performance, and in a timely manner; (vii) it and the Products and services provided to PAL Commercial Lighting will comply with all applicable laws, codes, standards and regulations (including, but not limited to anti-corruption and anti-bribery, child labor, affirmative action and conflict minerals); and (viii) it will comply with all aspects of PAL Commercial Lighting’s Cyber Security Requirements outlined in



Appendix 1 as applicable. The foregoing warranties are enforceable by PAL Commercial Lighting and its direct and indirect customers receiving such Products (together, "Consumers"). The representations contained in this Section 3 shall survive for the longer of: (1) eighteen (18) months from the date of Seller's last shipment to or on behalf of PAL Commercial Lighting; (2) such longer period as is offered by Seller in its then standard warranty; or (3) such longer period as is required by applicable law; provided, that the representations contained in Sections 3(i),(ii),(v) and (iv) shall survive indefinitely. If Seller breaches any of the foregoing warranties, Seller shall, at PAL Commercial Lighting's election and at Seller's sole cost and expense (including, but not limited to, all transport, packaging, removal, testing, re-install and other labor costs): (a) repair or replace Products or services to PAL Commercial Lighting's complete satisfaction; (b) reimburse PAL Commercial Lighting for the purchase price paid for such Products or services; or (c) reimburse PAL Commercial Lighting for the cost of substitute products or services obtained by PAL Commercial Lighting from third parties. Seller agrees that any warranties associated with the Products or services shall restart on the date of repair or replacement pursuant to this Section 3.

4. Seller shall indemnify, defend and hold harmless PAL Commercial Lighting, its parent, subsidiaries, Consumers and affiliates, and its/their officers, directors, employees, agents, contractors and representatives, from and against any and all actual or asserted claims, actions, damages, injuries, fines, penalties, settlements, judgments, losses, costs and expenses (including court costs and attorneys' fees) (collectively "Losses") arising out of, in connection with, or resulting directly or indirectly from: (i) Seller's breach of any representation, warranty or covenant hereunder; (ii) the use, sale, lease or distribution of Products (including, without limitation, for Losses that are attributable, in whole or in part, to contamination, pollution or environmental damage (including clean-up costs), data or security breaches, or any inaccurate or misleading representations or omissions from any Product packaging, warnings, instructions, literature, or communication relating thereto); (iii) Product recalls initiated or required by Seller, a governmental agency or applicable laws, rules, orders or regulations; or (iv) negligence, gross negligence, recklessness, fraud, strict liability, fault, violation of law, or willful misconduct of Seller, its Representatives, suppliers, manufacturers, directors, contractors, officers, guests, invitees or agents. Seller acknowledges and agrees that its indemnity obligations under this these PAL Commercial as Buyer T&Cs shall be enforceable against Seller regardless of whether or not insurance Seller maintains covers such indemnity obligations. The foregoing shall not be construed to negate, abridge, or otherwise reduce any other right or obligation that would otherwise exist as to any party or person described herein. In the event that any indemnity provisions herein are contrary to applicable law, then such indemnity obligations shall be construed to apply to the fullest extent allowed by applicable law.

**5. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY, OR ITS PARENT OR AFFILIATES, OR ANY OF ITS/THEIR DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, BE LIABLE HEREUNDER FOR ANY SPECIAL, RELIANCE, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES, INCLUDING, WITHOUT LIMIT, FROM DAMAGES TO PROPERTY, FOR LOSS OF PROFITS, INCOME, USE OR TIME, WHETHER IN TORT, CONTRACT, OR OTHERWISE RESULTING FROM PERFORMANCE OR NON-PERFORMANCE HEREUNDER, AND WHETHER OR NOT IT/THEY KNEW OF THE POSSIBILITY THEREOF; PROVIDED, HOWEVER, THIS SECTION 5 SHALL NOT LIMIT SELLER'S LIABILITY FOR A BREACH OF THE**

**REPRESENTATIONS CONTAINED IN, AND ANY FAILURE TO PERFORM ANY OF ITS OBLIGATIONS UNDER, SECTIONS 3, 4, 6, 12 OR 14.**

6. Unless otherwise expressly agreed in writing by PAL Commercial Lighting, Seller shall not, and shall not authorize any other party to, use, modify, reproduce or replicate any trademark, logo or trade name owned or claimed by PAL Commercial Lighting ("PAL Commercial Lighting Marks") in any way. Seller shall not contest PAL Commercial Lighting's right to exclusive use of any PAL Commercial Lighting Mark. Upon expiration or termination of PAL Commercial Lighting's customer relationship with Seller, Seller will remove and not thereafter use any sign, catalogue, brochure or other material (whether print or electronic) containing any PAL Commercial Lighting Mark and Seller will, at PAL Commercial Lighting's option, immediately destroy or return to PAL Commercial Lighting such material in its possession or under its control containing PAL Commercial Lighting Marks. In addition, Seller agrees not to use any PAL Commercial Lighting Marks in any promotional material, including without limitation, customer lists, advertisements, or press releases, without PAL Commercial Lighting's advance written authorization.

7. Upon the occurrence of an Event of Default (as defined below), PAL Commercial Lighting have the right to exercise any or all of the following remedies, in addition to any other remedies available in law or equity: (i) for late delivery or performance of any Products or services, PAL Commercial Lighting may extend the time therefore and/or require expedited shipping/services, and such Products/services shall be provided in the manner and per the timelines specified by PAL Commercial Lighting, at Seller's sole cost and expense; (ii) with respect to Non-Conforming Products (as defined below), (A) PAL Commercial Lighting shall have all of the rights and remedies available under Sections 3 and 4 above; (B) PAL Commercial Lighting may reject or revoke acceptance, as the case may be, of all or any portion of the shipment of Products containing any Non-Conforming Products; and/or (C) exercise any other rights and/or remedies specified in the Order. PAL Commercial Lighting may exercise any one or more of the foregoing rights or remedies by notifying Seller of such intent and shall not be liable to Seller on account of exercising any such rights or remedies. Seller acknowledges and agrees that the occurrence of an Event of Default constitutes a substantial impairment of value to PAL Commercial Lighting of the shipment at issue, the entire Order, and any other then pending Orders, so as to entitle PAL Commercial Lighting to exercise any and/or all of the remedies specified herein, in the Order, and at law, and Seller hereby waives its right to cure the default in question, unless otherwise agreed in writing by PAL Commercial Lighting. The making of or failure to make any inspection of or payment for the Products shall in no way impair PAL Commercial Lighting's right to reject Non-Conforming Products, nor shall such an act or omission be deemed acceptance by PAL Commercial Lighting of the Products, nor affect in any way Seller's obligations hereunder, notwithstanding PAL Commercial Lighting's opportunity to inspect the Products, PAL Commercial Lighting's knowledge of the non-conformity or defect, its substantiality or the ease of its discovery, nor PAL Commercial Lighting's earlier failure to reject the Products. For purposes of these PAL Commercial as Buyer T&Cs, "Event of Default" shall mean any one or more of the following: (i) delivery of services or Products failing to conform to any provision hereof ("Non-Conforming Products"); (ii) Seller's breach or failure to perform its obligations hereunder; or (iii) Seller's breach or misrepresentation of any representation or warranty herein.

8. All questions pertaining to the validity, construction, execution and performance of any Order and the relationship of the parties hereto shall be construed and governed by the laws of Texas and the USA, without giving effect to the principles of conflicts or choice of law provisions thereof, and the Order shall not be governed by the U.N. Convention on Contracts for the International Sale of Goods. Exclusive jurisdiction shall be in the appropriate state or federal court in the state of PAL Commercial Lighting's principal place of business.

9. Seller certifies and represents that (a) it is and shall remain in compliance with all applicable anti-bribery and anti-corruption laws and that all Products are produced in compliance with the Fair Labor Standards Act of 1938, as amended, and applicable regulations, orders and guidance thereunder, (b) each invoice it submits is true, correct and complete and is not a duplicate for the Products at issue; (c) all Products comply with the Occupational Safety and Health Act of 1970, as amended, and any applicable state law analogous provisions, and the regulations thereunder, to the extent applicable. Seller shall notify PAL Commercial Lighting in writing if Products are subject to laws or regulations relating to hazardous or toxic substances, or when disposed of, to regulations governing hazardous wastes, or to any other health, safety and/or environmental regulations. Seller shall furnish all appropriate shipping certifications, labeling in compliance with the Workplace Hazardous Materials Information System, Material Safety Data Sheets in compliance with the Workplace Hazardous Materials Information System, and instructions for shipping, safety, handling, exposure and disposal in a form sufficiently clear for use and actions to be taken by PAL Commercial Lighting's and its Consumer's non-technical personnel.

10. Without limiting Seller's obligations or liabilities hereunder, Seller shall, on the date an Order is accepted and for a period of two (2) years thereafter, at its sole expense, purchase and maintain the following insurance coverage with carriers that have A.M. Best ratings of not less than A- and with a minimum financial rating of Class VII: (a) Commercial General Liability Insurance that covers all liabilities for bodily injury and property damages arising from the Products, services and/or the performance of an Order, with limits of liability of at least \$5,000,000 for each occurrence and in the aggregate. Coverage must include Products/Completed Operations, Personal and Advertising Injury and Blanket Contractual Liability (CG 20 10 or its equivalent must be provided). Such CGL insurance may be maintained through any applicable combination of CGL and Excess/Umbrella Coverage; (b) Automobile Liability Insurance that covers all liabilities for bodily injury and property damages arising from the use of all owned, hired or non-owned vehicles, with limits of liability of at least \$1,000,000 for each occurrence and in the aggregate; (c) Workers Compensation Insurance shall be statutory by state law and Employer's Liability Insurance with limits of liability of at least \$1,000,000; (d) Product Liability Insurance that covers the Products with limits of liability of at least \$5,000,000 in the aggregate; and (e) Technology Errors & Omissions Liability Insurance, with a minimum limit of \$5,000,000 per claim and in the aggregate, covering all Products including failure of information technology security, data privacy breach and software copyright infringement (if coverage is on a claims-made basis, the policy must contain a retro date which precedes the effective date of the Order and continuity must be maintained for 1 (one) year following termination or expiration of the Order). All insurance coverage required herein for Seller shall extend to and protect PAL Commercial Lighting and its subsidiaries, parent company and/or affiliates to the full amount of such coverage, and all deductibles and/or self-insured retentions (if any), including those related to defense cost, are the sole responsibility of Seller and, upon PAL Commercial Lighting's request, Seller shall disclose the same to PAL Commercial Lighting. All policies, except the Workers' Compensation insurance, shall be

endorsed to name PAL Commercial Lighting, its parent and affiliated entities, and its/their directors, officers, employees, representatives, and agents, as an additional insured and such policies shall be endorsed to waive all express or implied rights of subrogation against PAL Commercial Lighting, its parent and affiliated entities. The insurance coverage set forth above shall be primary to any liability insurance or other insurance carried by PAL Commercial Lighting, its affiliates or parent and PAL Commercial Lighting's, its affiliate's and parent's other insurance shall be excess and non-contributory for claims and losses arising out of the performance of an Order. Seller shall provide a coverage endorsement for each category of insurance required above, except for Workers' Compensation, which includes a cross liability clause, stating that the Seller and PAL Commercial Lighting shall each be considered as a separate entity. The policies shall not be canceled, terminated or materially reduced without thirty (30) days' advance written notice to PAL Commercial Lighting. Seller shall provide PAL Commercial Lighting with a Certificate of Insurance evidencing the above-required types and amounts of insurance coverage and other requirements prior to selling Products and providing services to PAL Commercial Lighting and on an annual basis thereafter. Failure of the Seller to provide PAL Commercial Lighting the Certificate of Insurance or failure of PAL Commercial Lighting to specifically request such certificate, shall in no way limit or release the Seller of its obligations or liabilities under this Section 10. In the event the Seller or its insurance carrier defaults on any obligation hereunder, Seller agrees that it will be liable for all reasonable expenses and attorneys' fees incurred by PAL Commercial Lighting or its affiliates to enforce the provisions hereunder.

11. Unless PAL Commercial Lighting and Seller are entered into a separate, written agreement signed by both parties that specifically governs their business relationship and the subject matter of the Order, and unless that written agreement specifically contains a merger clause that addresses conflicting terms and conditions in purchase orders, invoices, etc., then these PAL Commercial as Buyer T&Cs constitute the entire agreement and understanding between the parties, and supersede and replace all prior negotiations and agreements, proposed or otherwise, whether written or oral, concerning the subject matter hereof, with respect to any purchase of goods or receipt of services by PAL Commercial Lighting from any Seller or affiliate of Seller.

12. Seller may have access to Confidential Information (as defined below) in connection with PAL Commercial Lighting's purchase of Products and services from Seller. Seller shall not disclose any Confidential Information or any portion thereof to any person or entity and shall only use such Confidential Information to fulfill its obligations hereunder, it being understood that such Confidential Information provides PAL Commercial Lighting with a competitive advantage in its trade because it is not generally known or available to the public. In that regard, Seller acknowledges and agrees that PAL Commercial Lighting has taken and is taking reasonable steps to protect the confidentiality of, and its legitimate interests in, the Confidential Information. The term "Confidential Information" means information of PAL Commercial Lighting concerning PAL Commercial Lighting's business, personnel, data, financial and marketing plans, intellectual property rights (including, without limitation, patents, trademarks, copyrights and trade secrets), employees, contractors, know-how, trade secrets, ideas, inventions, forecasts, strategies and statements, and Consumer related information. To the extent allowed by law, Seller shall notify PAL Commercial Lighting in writing in advance of any disclosure of Confidential Information required by law, court or administrative order.

13. All notices permitted, required or provided for herein shall be made in writing, and shall be deemed adequately delivered if delivered by hand, certified mailing in the U.S. mail with return receipt requested, or by a recognized courier service that regularly maintains records of its pick-ups and deliveries, to the parties at their respective addresses, as set forth on the face of the Order or as otherwise designated by a party hereto. Any waiver of any of the provisions herein or of any inaccuracy in or non-fulfillment of any of the representations, warranties or obligations hereunder or contemplated hereby, shall not be effective unless made in writing and signed by the party against whom the enforcement of such waiver is sought. Any provision of these PAL Commercial as Buyer T&Cs that is deemed invalid or unenforceable in any jurisdiction shall, as to such jurisdiction only, be ineffective only to the extent of such invalidity or unenforceability, without rendering invalid or unenforceable or otherwise affecting the remaining terms and provisions hereof. Neither party may assign or otherwise delegate any of its rights or obligations hereunder without the prior written consent of the other party, which consent will not be unreasonably withheld, delayed or conditioned; provided, however, PAL Commercial Lighting shall have the right to assign Orders without Seller's consent to an affiliate of PAL Commercial Lighting. The provisions hereof that by their nature are intended to survive the termination, cancellation, completion or expiration of the Order shall continue as valid and enforceable obligations of the parties notwithstanding any such termination, cancellation, completion or expiration. To the maximum extent permitted by applicable law: (i) Seller's warranties are fully-enforceable by PAL Commercial Lighting and its Consumers (as intended third-party beneficiaries); and (ii) the indemnities provided hereunder are fully-enforceable by PAL Commercial Lighting and/or any or all of the other indemnitees identified above in these PAL Commercial as Buyer T&Cs

14. Seller represents and warrants that it will at all times comply with all applicable laws and regulations, including trade, economic, and financial restrictions, trade embargoes, and any amendments thereto (for purposes of this Section 14, collectively the "Laws") imposed by any applicable governmental authority, including where applicable, the United States and the European Union. PAL Commercial Lighting shall not be liable, and Seller agrees to indemnify, defend, and hold harmless PAL Commercial Lighting, for any breach of such Laws and for all claims, liabilities, costs (including attorneys' and experts' fees and court costs), damages, and penalties associated therewith or arising therefrom. Seller shall take all actions necessary to ensure that its suppliers, subcontractors, materialmen, and other business partners (i) comply with applicable Laws; and (ii) do not cause PAL Commercial Lighting to violate applicable Laws. If applicable, Seller undertakes to timely provide all information and documentation necessary for export, shipment, and import. PAL Commercial Lighting shall not be liable, and Seller shall indemnify, defend, and hold PAL Commercial Lighting harmless, for delays and any other losses, including liquidated damages assessed against PAL Commercial Lighting, arising or resulting from Seller's failure to timely deliver Products and/or provide accurate information and documentation, export/import reviews, or any related permitting procedures. To the extent permitted by law, Seller shall, promptly upon becoming aware, provide to PAL Commercial Lighting details of any claim, action, suit, proceedings or investigation against it with respect to Laws brought by any enforcement authority. In the event that PAL Commercial Lighting should believe, acting in good faith, that Seller has violated, or is under investigation for violating, any Laws, or if Seller is identified on any applicable sanctions list, PAL Commercial Lighting shall have the immediate right to terminate its relationship and/or any contract with Seller without liability.

## Appendix 1

### Cyber Security Requirements

1. Seller shall ensure all Products have been developed in accordance with the principles of secure software development consistent with software development industry best practices, including, but not limited to, security design review, secure coding practices, risk based testing and remediation requirements. Seller must use reasonable measures to secure the software development environment of the Products from unauthorized access.
2. Seller shall include cyber security guidance in the Product documentation provided to PAL Commercial Lighting. This documentation shall include guidance on how to configure the Products and/or the surrounding environment to best ensure security. It shall also include guidance on which logical or physical ports are required for the Product to function. If authentication is used to protect access to any service or capability of the Products, regardless of the intended user of that service/capability, the Seller shall ensure that:
  - a. the Products do not provide access to that service or capability using a default account/password;
  - b. the Products shall not provide access to that service or capability using a “Backdoor” account or password;
  - c. the Products shall not provide access to that service or capability using a “Backdoor” account or password;
  - d. the Products’ associated authentication and password change processes shall be implemented with an appropriately secure cryptographic level; and
  - e. PAL Commercial Lighting shall be able to change any passwords supported by the Products.
3. In the event any wireless technology is incorporated in any Product, Seller shall document and ensure that the wireless technology complies with standard operational and security requirements specified in applicable wireless standard(s) or specification(s) (e.g., applicable IEEE standards).
4. In the event that any cryptographic systems are contained in the Product, Seller shall only use cryptographic methods that are “Approved” as defined in the Federal Information Processing Standard (FIPS) Security Requirements for Cryptographic Modules (FIPS 140-2), and Seller shall provide an automated remote key-establishment (update) method that protects the confidentiality and integrity of the cryptographic keys.
5. Seller must develop and maintain an up-to-date Cyber Security Susceptibility management plan designed to promptly identify, prevent, investigate, and mitigate any Cyber Security Susceptibilities and perform any required recovery actions to remedy the impact. “Cyber Security Susceptibility (ies)” is defined as any bug, software defect, design flaw, or other issue with software associated with a Product that could adversely impact the confidentiality, integrity or availability of information or processes associated with the Product.

6. Seller shall notify PAL Commercial Lighting within a reasonable period and as required by law, but in no event to exceed five (5) business days after discovery, of any potential Cyber Security Susceptibility. Seller shall report any Cyber Security Susceptibility to PAL Commercial Lighting. Within a reasonable time thereafter, Seller shall provide PAL Commercial Lighting, free of charge, with any upgrades, updates, releases, maintenance releases and error or bug fixes necessary to remediate any Cyber Security Susceptibility. Seller shall reasonably cooperate with PAL Commercial Lighting in its investigation of a Cyber Security Susceptibility, whether discovered by Seller, PAL Commercial Lighting, or a third party, which shall include providing PAL Commercial Lighting a detailed description of the Cyber Security Susceptibility, the remediation plan, and any other information PAL Commercial Lighting reasonably may request concerning the Cyber Security Susceptibility, as soon as such information can be collected or otherwise becomes available. PAL Commercial Lighting or PAL Commercial Lighting's agent shall have the right to conduct a cyber security assessment of the applicable Products, and the Product development lifecycle, which includes tests intended to identify potential Cyber Security Susceptibilities. Seller shall designate an individual responsible for management of the Cyber Security Susceptibility, and shall identify such individual to PAL Commercial Lighting promptly.
7. Seller represents, warrants and covenants that all open source software contained within the Products are and shall be in material compliance with the terms and conditions of the applicable licenses governing their use, and the Products or the use thereof by PAL Commercial Lighting shall not cause PAL Commercial Lighting or PAL Commercial Lighting's intellectual property rights to be subject to the terms or conditions of a copyleft license, or require PAL Commercial Lighting to fulfill any open source license obligations for any open source software contained within the Products.
8. Seller represents, warrants, and covenants that the Products shall be free of viruses, malware, and other harmful code (including, without limitation, time-out features) which may interfere with the use of the Products regardless of whether Seller or its personnel purposefully placed such code in the Products. In addition to exercising any of PAL Commercial Lighting's other rights and remedies under the Order or otherwise at law or in equity, Seller shall provide PAL Commercial Lighting, free of charge, with any and all new versions, upgrades, updates, releases, maintenance releases, and error or bug fixes of the Products (collectively, "Revised Code") which prevents a breach of any of the warranties provided under the Order or corrects a breach of such warranties. Revised Code contained in the Products constitutes Products for purposes of the Order.