

Terms and Conditions for Appointment of Authorized COPALUM Product Installers

These Terms and Conditions are attached to and made a part of a Letter Agreement appointing the firm indicated in the letter as a non-exclusive authorized installer ("Installer") of COPALUM Products*. By accepting the appointment Installer expressly agrees to adhere to the following terms and conditions:

1. Designation.

(a) TE Connectivity designates Installer as a non-exclusive "Authorized COPALUM product Installer" pursuant to these terms and conditions as well as the provisions of the attached Letter Agreement (both documents are hereinafter referred to as the "Agreement").

(b) TE Connectivity appointment of Installer as an Authorized COPALUM product Installer shall be contingent upon Installer's continued adherence not merely to the precise terms of this Agreement, but also to its spirit. Installer understands and agrees that TE Connectivity has a paramount interest in having only qualified individuals and companies selling and installing COPALUM product in single, multi-family and commercial structures.

(c) TE Connectivity designation of Installer as an Authorized COPALUM product Installer shall be non-exclusive and such designation does not constitute a grant of any specific territory, geographical area, or particular market. TE Connectivity reserves the right to appoint other Authorized COPALUM product Installers at any time without notice or liability to Installer.

2. Term. The term of the Agreement shall be one year from the date of the attached Letter Agreement, unless sooner terminated pursuant to any provision hereof. The Agreement shall continue in full force and effect thereafter on a year-to-year basis until terminated by either party pursuant to any provision hereof.

3. Special Responsibilities of the Installer. Installer acknowledges that it has special responsibilities arising out of its designation as an Authorized COPALUM product Installer.

(a) Installer agrees that at all times all individuals it employs to install COPALUM product will:

(i) have been trained by TE Connectivity in the proper use of COPALUM products and tooling; and

(ii) be licensed electricians of at least journeyman's status (although apprentices and helpers may be used to assist the electrician, they will not be used to perform the actual installation).

(b) Installer agrees that, in any COPALUM product retermination project it performs, it will use only TE Connectivity-approved tools, products, and techniques.

(c) Installer recognizes and agrees that it is fully responsible for any damages that result from improper installation of COPALUM product or from the improper use of COPALUM tooling, for which Installer will indemnify and hold TE Connectivity harmless.

(d) Installer agrees that it shall not resell or sublease COPALUM tooling or

products to anyone without first having obtained TE Connectivity written consent.

(e) COPALUM tooling provided to Installer shall remain the property of TE Connectivity. Installer shall not take or permit any action regarding the tooling that is inconsistent with TE Connectivity ownership thereof.

4. Special Responsibilities of TE Connectivity. TE Connectivity acknowledges that it has special responsibilities arising out of this Agreement with Installer.

(a) TE Connectivity will arrange, upon request and following payment of TE Connectivity then-current charges for such services, to train Installer's personnel in the proper use of COPALUM product and tooling.

(b) TE Connectivity will make available to Installer reasonable quantities of TE Connectivity-approved tooling and products.

(c) TE Connectivity shall have available for use by Installer pre-approved advertising materials.

(d) TE Connectivity may refer potential COPALUM product retermination projects in Installer's local area to Installer from time to time on a non-exclusive basis.

5. Inspections. Authorized representatives of TE Connectivity shall have the right of reasonable inspection during normal business hours of Tooling in Installer's possession (as defined in Section 11), as well as Installer's books and records supporting or relating to sales and installations involving COPALUM products. Authorized representatives of TE Connectivity shall also have the right to inspect COPALUM product installations previously made by Installer or which are in the process of being made by Installer. Installer agrees that such inspections shall be performed solely at TE Connectivity option and expense.

6. Installer's Resale Prices. TE Connectivity may create suggested resale prices from time to time for COPALUM products. If so, these are, in fact, merely "suggested" resale prices and do not represent a policy of TE Connectivity. Installer SHALL SELL AT PRICES INDEPENDENTLY DETERMINED BY Installer.

7. Orders

(a) Placing Orders. Installer may place orders for COPALUM product at any Tyco Electronics distributor authorized to resell the product.

(b) Minimum Orders. All orders are subject to package size minimums set by TE Connectivity from time to time.

(c) Freight. All shipments by TE Connectivity to Installer will be freight pre-paid UPS normal delivery. TE Connectivity will ship UPS Next Day Delivery upon Installer's request, but only if Installer satisfies TE Connectivity that premium shipment is necessary. TE Connectivity will ship only to Installer's principal place of business. TE Connectivity will not drop ship COPALUM Product or Tooling to any other location for any reason.

8. Sales Material. TE Connectivity shall make available to Installer reasonable quantities of product advertisements and literature. Additional quantities will be made available for a nominal charge.

9. Termination

9.1 (a) The Agreement may be terminated at any time, with or without cause, by TE Connectivity or by Installer upon thirty days' prior written notice.

(b) Upon termination of this Agreement, Installer will immediately return the Tooling and its remaining inventory of COPALUM product to TE Connectivity. Installer will receive a refund of the unused Retention Charge for the Tooling and its purchase price for the returned COPALUM products, provided the Tooling is in good condition, reasonable wear and tear excepted.

9.2 Bankruptcy.

(a) TE Connectivity shall have the option, in its sole discretion, to terminate the Agreement or to cancel any unfilled orders immediately by written notice to Installer in the following circumstances:

(i) If Installer is a corporation, in the event of insolvency, bankruptcy, dissolution, acquisition, consolidation, or merger of Installer, or in the event of death, insanity, disability, or withdrawal of any principal stockholder active in Installer's business affairs as they relate to Installer's duties hereunder.

(ii) If Installer does business as a sole proprietor or partnership, in the event of insolvency, bankruptcy, death, insanity, or disability of the proprietor of Installer or one of its partners, or dissolution of Installer's partnership.

(b) Installer shall have the option, in its sole discretion, to terminate this Agreement or to cancel any unfilled orders immediately by written notice to TE Connectivity in the event of insolvency, bankruptcy, or dissolution of TE Connectivity.

9.3 Termination by TE Connectivity. TE Connectivity may give Installer written notice if, at any time, Installer fails to meet and comply with the Installer performance criteria set forth in Sections 3, 9 or 10 hereof, or otherwise commits a material breach of the Agreement. Any such notice will set forth the nature of Installer's failure in reasonable detail. TE Connectivity shall have the right to immediately terminate the Agreement if Installer does not cure such failure within thirty (30) days after such notice.

9.4 Non-Liability. Neither party shall be liable to the other for damages, liabilities or obligations in any form whatsoever upon termination of this Agreement as provided herein, except as expressly provided herein.

9.5 Non-Use of Trademarks. Upon the termination of the Agreement, Installer will remove and not thereafter use any signs containing the trademarks AMP or COPALUM, or any other trademark owned by TE Connectivity or its affiliates, and Installer will immediately destroy all stationery, advertising matter and other printed matter in its possession or under its control containing such trademarks. Installer will not at any time after such termination use or permit to be used any such trademarks in any manner in connection with any business conducted by Installer or in which Installer may have an interest. Installer will immediately take all appropriate steps to remove and cancel its listings in telephone books and other

directories, and public, records, or elsewhere which contain said trademarks.

9.6 Effect of Termination on Pending Orders. The termination of this Agreement will cancel, as of that date, all orders that have not been shipped and neither party shall thereafter be under any obligation to the other with respect to orders so cancelled.

10. Insurance. Installer shall carry, at its expenses, insurance coverage in at least the following amounts:

Workers' Compensation; Statutory Requirement

Broad Form General Liability Insurance (including Vendor Products and Completed Operations and Contractual Liability Endorsements); \$1,000,000 per person, per loss (minimum)

Automobile Liability Statutory Requirements; \$1,000,000 per person, per loss (minimum)

Certificates of such insurance shall be furnished to TE Connectivity upon request. Such certificates shall name TE Connectivity as an additional insured and shall provide for thirty (30) days prior written notice to TE Connectivity of cancellation or material change.

11. Tooling.

(a) TE Connectivity agrees to supply to the Installer such reasonable quantities of COPALUM application equipment (the "Tooling") as Installer may order from time to time. The original term for each item of Tooling shall be three months, and month-to-month thereafter. After expiration of the original three months term for each item of Tooling, this agreement shall be terminable at will by either Installer or TE Connectivity at anytime on thirty (30) days prior written notice.

(b) Within twenty-four (24) months of returning Tooling to TE Connectivity, Installer may order Tooling, at the then-current charge, without retraining being required. If such 24-month has been exceeded, retraining by TE Connectivity is required before Installer can order Tooling.

(c) Installer agrees to pay to TE Connectivity the then-current monthly charge for the right to retain the Tooling (the "Retention Charge"). All Tooling has a three month firm minimum retention commitment. All initial Retention Charges are payable in advance on date of shipment, and subsequent Retention Charges are payable monthly.

(d) Monthly Retention Charges are firm for the initial three month term (unless stated to the contrary in the attached Letter Agreement). Thereafter, Retention Charges shall be billed at TE Connectivity then-current rates. TE Connectivity will provide Installer with at least thirty (30) days prior written notice of any change in monthly Retention Charges.

(e) The Tooling and all additions thereto (including applicators, dies, and repair and replacement parts, not yet installed) and modifications thereof shall be and remain TE Connectivity sole and exclusive personal property. Installer shall keep the Tooling free from all liens and encumbrances. Installer shall have no title or interest therein, but shall have only the right to use the Tooling during the term of this agreement for the purpose of applying the COPALUM system. However, no license under any patent to make or

have made or otherwise acquire any terminals should be implied or granted.

(f) In the event this Agreement is terminated pursuant to the terms herein contained or for any cause whatsoever, TE Connectivity shall be entitled to immediate possession of its Tooling and for that purpose shall have, and the Installer hereby grants, an irrevocable license to enter by its servants or agents on any premises where the Tooling is or may be reasonably suspected to be and to take back and return the Tooling. Installer's right to use the Tooling shall immediately cease and TE Connectivity shall reimburse Installer for any prepaid Retention Charges for the unexpired term of the Tooling to which such charges relate, less any amount Installer owes TE Connectivity for any reason.

(g) TE Connectivity will train Installer's personnel, who have not previously been trained, in the proper use, maintenance, and set up procedures for such Tooling. Installer shall keep the Tooling in good working order and condition at all times. TE Connectivity shall have the right at all times during Installer's business hours to inspect the Tooling, to observe its use, and to take possession of it upon termination of this Agreement.

(h) Installer shall be solely responsible for any damage to the Tooling resulting from Installer's misuse, repair or adjustment of the Tooling.

(i) Installer shall not permit anyone not trained by TE Connectivity to utilize the Tooling.

(j) The right to use the Tooling is limited to the Installer and shall not be assigned, sublet or in any way encumbered.

(k) Installer shall bear the entire risk of loss of said Tooling until Installer returns the Tooling in good order and condition, reasonable wear and tear only excepted, freight prepaid, to TE Connectivity, in accordance with the instructions Installer has received for such return from TE Connectivity Field Engineering Services. It is the Installer's responsibility to contact Field Engineering Services for such instructions by calling 1-800-722-1111. Returned Tooling will be promptly evaluated by TE Connectivity. TE Connectivity shall invoice Installer at the then-current prices for any Tooling, or parts thereof, that are missing, damaged, or excessively worn.

(l) Installer agrees that TE Connectivity has the right and authority to file with the appropriate governmental authorities a UCC financing statement or similar document evidencing TE Connectivity ownership of the Tooling. Installer agrees to sign, at TE Connectivity request, any such statement or document.

12. Tradenames & Trademarks. Installer may not use the tradenames or trademarks owned by TE Connectivity or any of its affiliates as part of its firm, corporate, or business name, and shall not use such names or trademarks in any way except to designate the AMP products purchased from TE Connectivity in accordance with this Agreement.

13. Relationship of Parties. Neither Installer nor TE Connectivity shall hold itself out to be an agent or representative of the other, and neither shall have the right to enter into any contracts or commitments in the name of, or on behalf of the other, or to bind the other in any respect.

14. Notice. Notices under the Agreement shall be sufficiently served if in writing and delivered in person, mailed Certified Mail-Return Receipt

Requested, or sent by express courier (such as UPS). Notices to Installer shall be sent to the address specified in the attached Letter Agreement. Notices to TE Connectivity shall be sent to the following address:

Tyco Electronics Corporation
Customer Service Department
P.O. Box 3608
Harrisburg, PA 17105-3608
Attention: COPALUM Product Manager

Such notice shall take effect as of the date of mailing or delivery in person or to the express courier. The addresses may be changed by appropriate notice hereunder.

15. Assignment and Applicable Law. Neither this Agreement nor any of the rights or obligations of either party hereunder shall be assignable or transferable directly or indirectly, in whole or in part, without the prior written consent of the other party, but Tyco Electronics may assign its rights hereunder in connection with a transfer of all or any part of Tyco Electronics' business operations. This Agreement shall be interpreted under the laws of the Commonwealth of Pennsylvania.

16. Miscellaneous.

16.1 Separability. In the event any one or more of the provisions, or portions thereof, contained or referenced in this Agreement shall for any reason be invalid, illegal or unenforceable, such circumstance shall not affect any other provision hereof and this Agreement shall continue in full force and effect and be construed as if such provision, to the extent that it is invalid, illegal or unenforceable, had never been contained herein.

16.2 Waiver. The failure of either party to enforce the provisions hereof or to exercise the rights granted hereunder, or the agreement of the parties to waive enforcement thereof, at any time or for any period of time, shall not constitute or be construed to be a waiver of any other failure or breach of such provision or right, or any other provision or right of this Agreement, or of the right of such party thereafter to enforce each and every such provision or right, nor shall such failure or agreement be deemed to be an amendment to this Agreement.

16.3 Conflicting Terms. The parties agree that the terms and conditions of the Agreement shall prevail, notwithstanding contrary or additional terms in any purchase order or any other document issued by Installer effecting the purchase and/or sale of AMP products. Except as expressly herein provided otherwise, these Terms and Conditions shall prevail over any inconsistent provision in the attached Letter Agreement.

16.4 Section Headings. The Section Headings are merely for convenience of reference and shall have no bearing on the interpretation of this Agreement.

16.5 Entire Agreement. These Terms and Conditions together with the attached Letter Agreement and any order acknowledgments issued by Tyco Electronics constitute the entire agreement between the parties and supersede all prior agreements between the parties and their predecessors,

relating to the sale or distribution of AMP products, whether written or oral. Except as expressly provided herein, no future agreements or understandings in any way modifying or supplementing this Agreement shall be binding on either party unless confirmed in writing and signed by a duly authorized officer of both parties.