

MANUFACTURER'S BRASS AND ALUMINUM FOUNDRY, INC. TERMS AND CONDITIONS OF SALE
(MBAF is a division of G & W Electric Company)

I. Orders

Shipping quantities may be up to 10% over or under quantity ordered, unless otherwise agreed upon.

II. Prices

- (a) Seller reserves the right to amend prices if the quotation and/or order are not accompanied by full and accurate information.
- (b) Change in design, weight or quantity may affect pricing.
- (c) Pricing may change if quoted price is not accepted within thirty (30) days of quoted date.
- (d) The actual price may vary based on the actual weight of the casting and fluctuation in the metal market.
- (e) Pricing is based on pattern equipment suitable to our foundry practices and is subject to revision upon receipt and inspection of the pattern equipment.
- (f) When Buyer's delivery requirements necessitate intermittent production of castings, the quantity price applying to each of the different requirements will apply.
- (g) Labor and manufacturing costs are reviewed on an annual basis, and prices may be adjusted accordingly.
- (h) Prices are subject to a metal surcharge at the time of shipment to cover increase in the cost of scrap or alloys, unless agreed to otherwise in writing.

III. Payment and Cancellation Terms

- (a) Prices quoted are net. Terms are C.O.D. unless approved for account. Accounts are due no later than thirty (30) days after date of invoice. A service charge of 1½ per month on the principal amount of the invoice will be charged for time exceeding thirty (30) days. When shipments are spread over a period of time, each shipment will be invoiced and due accordingly.
- (b) Should the Buyer cancel, reduce the quantity or change the design and Seller has begun production in accordance with the purchase order, completed product will be delivered and invoiced and shall be paid for by the Buyer.
- (c) If production has not begun in accordance with the purchase order, a cancellation charge of Twenty-five Dollars (\$25.00) per line item will be invoiced and due immediately.
- (d) All orders are subject to state sales tax unless a sales tax exemption certificate is provided.

IV. Patterns

- (a) When the Buyer supplies patterns, quotation by the Seller assumes that the patterns are in good condition, true to drawings, and suitable for production.
- (b) Replacement, repair, and alteration to pattern due to normal wear and tear are the financial responsibility of the Buyer.
- (c) Seller reserves the right to return safely to the Buyer pattern equipment that has not been used in three (3) years.
- (d) The Seller shall not be responsible for the loss of or damage to pattern equipment when caused by fire or other causes beyond its control. It shall be the Buyer's responsibility to provide such fire and other insurance as they desire.
- (e) Pattern equipment will not be released to the Buyer until the account for that pattern and all castings made from it has been paid in full.

V. Transportation

Normal delivery terms are F.O.B. our Blue Island plant, freight collect.

VI. Production and Lead Time

Time of delivery is estimated as accurately as possible but is not guaranteed and is subject to delays or breakdowns beyond the control of the Seller. The Seller shall not be liable for delays in delivery or failure to manufacture or deliver due to acts of God, war, riot, embargoes, acts of civil or military authorities, priorities, allocations, fires, floods, epidemics, accidents, quarantine restrictions, mill conditions, strikes, differences with workmen, delays in transportation, shortage of cars, fuel, labor, manufacturing facilities, components or materials, acts of the Buyer, or any other cause beyond the reasonable control of the Seller. In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost by reason of the delay.

The period specified for delivery on the Seller's quotation:

- (a) is independent of any time required for making, altering, or adapting the pattern equipment.
- (b) shall commence only after the receipt of a written purchase order with complete instruction. If the purchase order is given verbally, a purchase order number must be given by the Buyer.
- (c) shall commence only after the receipt of written approval of samples, if samples are requested.

VII. Defects

(a) EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, SELLER MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER MATTER WITH RESPECT TO THE GOODS SOLD HEREUNDER

THE BUYER ASSUMES FULL RESPONSIBILITY FOR DESIGN AND SPECIFICATIONS, THE SUITABILITY FOR THE USE TO WHICH THEY OR THE CASTINGS ARE TO BE APPLIED.

(b) Seller warrants all goods sold hereunder to be free from defects in material and workmanship under normal use and service for a period of twelve (12) month from the date of shipment.

(c) Provided the castings are returned to Seller within one year from date of dispatch, any such agreed defective castings will be re-made or made serviceable for the original purpose. In the event the defective castings cannot be made serviceable, a credit for the

original price shall be provide to Buyer.

(d) Immediately after discovery of any such defects, the Buyer shall notify the Seller in writing and give the Seller a reasonable opportunity to take prompt measures to prevent a repetition of the defect.

(e) Any discrepancy between quantity declared on Shipping Memo and quantity received must be reported within 2 working days from receipt of shipment.

(f) Defective castings will not form the subject of any claim for labor, machining costs, or other expenditures arising from such defects.

(g) Expenditure by the Buyer on salvaging defective castings shall be a matter of agreement between the Buyer and Seller. In the absence of such agreement, it shall not be chargeable to the Seller.

(h) The Seller shall not be liable for any specific, indirect or consequential damage whatsoever in connection with the castings it furnishes, and, furthermore, the Seller does not design Buyer's castings nor determine their usage and the requirements to which they are placed.

(i) The Buyer shall save the Seller harmless for any loss or damage arising out of the manufacture by the Seller for the Buyer of any patented device, parts thereof, or on account of the use of such articles by the Buyer, the patents for which the Seller does not own or control.

VIII. Packing

Unless otherwise stated, special packing materials will be charged extra, but will be credited in full if returned to the Seller in good condition.

IX. Limits of Liability

Seller shall not be liable for, and Buyer shall indemnify the Seller from liability arising from injury or damage to property or persons caused in any manner by the operation, possession or use of the goods sold hereunder. The liability of Seller arising out of the supplying of any goods, or their use, whether on warranties or otherwise, shall not in any case exceed the cost of correcting defects in the goods as herein provided. Seller shall not in any event be liable for any labor expended by Buyer on any defective goods or for any special direct, indirect or consequential damages arising out of or in connection with the use or performance of the goods. Seller assumes no responsibility with respect to the capacity of Seller's goods to function as components in other products. Buyer assumes full responsibility for specifications and design of any product in which Seller's goods may become components and shall indemnify Seller against any liability attributed to any inadequacy in such specifications or design. Seller shall not be liable for misoperation or misapplication of goods sold or supplied due to unusual or abnormal electrical system disturbances. In addition to all other remedies available to Buyer, Seller will indemnify, defend and hold Buyer harmless against all losses, claims, and damages of Buyer due to any negligent act/omission of Seller.

X. . Governing Law and Jurisdiction

Any contract between the parties shall be governed by and construed in accordance with the laws of the State of Illinois, U.S.A., excluding its conflict of laws rules. The parties agree that any litigation arising directly or indirectly out of, or in any way relating to any contract between the parties shall commence exclusively in the State of Illinois Courts of Cook County, the State of Illinois Courts of Will County, or the United States District Court Northern District of Illinois, and that the parties' consent to the jurisdiction of these courts.

XI. . Entire Agreement

These Terms and Conditions constitute the entire agreement between Seller and Buyer, and such agreement may not be modified or amended except by a writing executed after the date hereof by an authorized officer of Seller. Seller shall not be bound by any terms of Buyer's purchase order forms or other documents which attempt to impose conditions at variance with Seller's Terms and Conditions of Sale set forth herein unless the same shall be specifically agreed to in writing by an authorized officer of Seller. Seller's failure to object to the provisions contained in any of Buyer's forms shall not be deemed a waiver of the provisions of these Terms and Conditions which shall constitute the entire agreement between the parties.