

TERMS AND CONDITIONS OF SALE

1. **ACCEPTANCE:** All quotations are valid for 30 days unless otherwise stated. For the purpose of these terms and conditions "Seller" includes Basler Electric Company and all of its subsidiaries (Basler Plastics, LLC, Basler Electric France SAS, Basler Electric (Suzhou) Co., Limited and Basler Electric Company (Singapore) PTE. LTD). The nature of our business is such that we handle for our customers a large number of orders, many of which specify terms and conditions which would add to, or differ from, those set forth herein. To negotiate individually with respect to these terms and conditions, which vary from customer to customer, would seriously interfere with our service to all our customers. Consequently, notwithstanding any terms or conditions which may appear on the Buyer's order, Seller products are offered for sale only, on the conditions and terms contained herein. Acceptance of Buyer's order is made only on the expressed understanding and condition that insofar as the terms and conditions of this acceptance, quotation or acknowledgement conflict with any terms and conditions of Buyer's order, the terms and conditions of this document shall govern irrespective of whether the Buyer accepts these conditions by a written acknowledgement, by implication or acceptance and payment of goods hereunder. Seller's failure to object to provisions contained in any communications from Buyer shall not be deemed a waiver of the provisions of this document.
2. **COMPLIANCE WITH LAWS:** Seller, to the best of his knowledge and belief, is complying with all State and Federal laws, orders and regulations applicable to the manufacture of the articles ordered.
3. **PRICES:** The price of any article scheduled for shipment on a date beyond a period of six (6) months from date of receipt of Buyer's order, is subject to increase or decrease by Seller, unless otherwise agreed to in writing. Prices are FOB Seller's manufacturing plant, unless Seller otherwise specifies. Additional services are subject to charge at Seller's standard rates. Prices include ordinary packing only, unless otherwise specified.
4. **TRANSPORTATION AND DELIVERY:** Unless Seller otherwise specifies, delivery will be made FOB Seller's manufacturing plant, title and risk of loss shall pass to Buyer at the point. Seller shall have the right to change means of transportation and to route shipment when specific instructions are not included with Buyer's order. When Buyer's shipping instructions are vague, such as "ship best way" or "ship cheapest way", Seller shall not accept nor be responsible for any claims for alleged excess transportation cost. Seller shall have no liability whatsoever nor shall this order be subject to cancellation for delays in delivery due to act of God, civil or military riot or commotion, strikes, labor disturbance, vandalism, fire, war, insurrection, transportation, weather, federal, state or municipal orders and directions, default of supplier or subcontractor or due to any other cause beyond Seller's control. In such an event or events causing delay for any such cause, the specified delivery date shall be extended for a reasonable length of time but not less than the period of delay.
5. **SPECIFICATIONS:** All drawings, plans, specifications, additions and change orders must be in writing furnished by Buyer subject to acceptance and approved by Seller.
6. **TERMS OF PAYMENT:** All orders are net thirty days from date of shipment by Seller on approved credit; interest of 1-1/2% per month on billings will be charged on all past due accounts until paid. All expenses of collection shall be paid by Buyer, including costs and reasonable attorney's fees.
7. **LIMITED WARRANTY POLICY:** Seller warrants that Articles sold hereunder to be free from defects in material and workmanship. THESE EXPRESS WARRANTIES ARE THE SOLE WARRANTIES OF SELLER AND ANY OTHER WARRANTIES, EXPRESSED, IMPLIED IN LAW OR IMPLIED IN FACT ARE HEREBY SPECIFICALLY EXCLUDED. Seller's sole obligation under its warranty shall be, at its option, to either issue a credit, or repair or replace any article or part thereof, which is proved to be other than as warranted. Any adjustment of credits will be based upon original billing prices. All warranties shall expire 18 months from date of shipment by Seller unless otherwise specified in other written communications from Seller. Notice of claimed breach of warranty must be given within the applicable period. No allowances shall be made to Buyer for any transportation, duties, brokerage fees, labor costs or parts adjustments or repairs, or any other work, unless said charges are authorized in writing, in advance, by Seller. SELLER SHALL IN NO EVENT BE LIABLE FOR SPECIAL OR CONSEQUENTIAL DAMAGES OR FOR LOSS OF PROFIT. If any article is claimed to be defective in material or workmanship, Seller, upon notice promptly given will either examine the Articles at its site, or issue shipping instructions for return to Seller. The warranty shall not extend to any Articles or parts thereof which have been installed, used or serviced, other than in conformity with Seller's applicable specifications, manuals, bulletins, or instructions, or, if none, shall have been subjected to improper installation, misuse or neglect. The warranties shall not apply to any materials or parts thereof, furnished by Buyer, or acquired from others at Buyer's request and/or to Buyer's specifications or designs. THE FOREGOING LIMITATIONS ON SELLER'S LIABILITY IN THE EVENT OF BREACH OF WARRANTY, SHALL ALSO BE THE ABSOLUTE LIMIT OF SELLER'S LIABILITY IN THE EVENT OF SELLER'S NEGLIGENCE IN MANUFACTURE, INSTALLATION, SERVICE OR OTHERWISE, WITH REGARD TO THE ARTICLES COVERED HEREBY; AND UPON THE EXPIRATION OF THE STATED WARRANTY PERIOD, ALL SUCH LIABILITIES SHALL TERMINATE. Seller warrants only those Articles which are custom designed based upon Buyer's specifications, specifically for Buyer, to be fit for the particular purpose identified by Buyer, in writing, for a period set forth on the front page of this document or on our quote. In no event shall Seller be liable for special or consequential damages or loss of profit respecting said Articles and Seller's sole obligation shall be to either issue a credit or to repair or replace said article or part thereof.
8. **NUCLEAR USE:** Products produced and sold hereunder by seller are not intended for use in connection with any nuclear facility or activity, unless specifically provided. Seller disclaims all liability, if so used, for any nuclear damage, injury or contamination and buyer shall and does hereby agree to indemnify and hold seller and its representatives and employees, its successors, assigns and customers, harmless, including damages, expenses, attorneys fees and cost of defense or otherwise caused by or resulting from reason of such use.
9. **ORDER CHANGES:** Buyers shall have the right, by giving written notice to Seller, to make changes in the quantity, drawings, designs or specifications for the articles to be manufactured. Upon receipt of any such notice, Seller shall notify Buyer as promptly as possible changes in price of, or the time required for performance of, the order and an equitable adjustment shall be made in the contract price or delivery schedule, or both, prior to incorporating said changes into the manufactured article.
10. **CANCELLATION:** Orders are not subject to cancellation, complete or partial, without Seller's written consent. Any reduction in quantities ordered shall constitute a partial cancellation subject to this clause. Where Seller consents to cancellation, settlement will be made on the following basis: Buyer will pay to Seller, upon delivery, the full purchase price of all articles completed at the time Seller agrees to cancellation. Buyer will further pay to Seller a percentage of the purchase price of all other articles equivalent to the percentage of completion thereof as determined by Seller's normal cost accounting methods. Buyer will also pay the full unamortized cost of materials, dies, tools, patterns and fixtures, made or contracted specifically for Buyer's order. Invoices for all cancellation charges are payable promptly upon presentation. If within sixty (60) days from the presentation of such invoice, Buyer does not instruct Seller as to the disposition of the material, etc. arising from the cancellation, Seller may sell the same, crediting buyer for the proceeds. Buyer will also pay the reasonable cost and expenses incurred by Seller in making a settlement hereunder and in protecting property in which Buyer has an interest. Where United States Government contracts are involved, cancellation shall be in accordance with the appropriate Armed Service's procurement Regulation and contract provisions. Seller will defer manufacture or delivery of any articles only if and to the extent agreed to in writing.
11. **PARTIAL SHIPMENTS:** Seller reserves the right to make and to invoice for partial shipments of completed articles.
12. **CUSTOMER CREDITS AND DEFAULTS:** Accounts are opened only with firms or individuals on approved credit. The Seller reserves the privilege of declining to make deliveries whenever, for any reason, doubt as to the Buyer's financial responsibility develops, and shall not, in such event be liable for non-performance of contract in whole or in part. If Buyer shall fail to pay promptly, when due, any sum owing to Seller, or to perform any agreement under this order or under any other order, heretofore or hereafter placed with Seller or Buyer shall be adjudicated bankrupt or insolvent, or shall make an assignment for the benefit of creditors, or if there shall be instituted by or against Buyer any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt or insolvency law of any jurisdiction, or for the appointment of a receiver or trustee in respect of any of Buyer's property and if such proceeding shall be instituted against Buyer, and it shall not be dismissed within twenty (20) days, or if Seller shall reasonably believe that Buyer is unable to meet Buyer's debts as they mature, then, and in any such event, Seller may, in addition to exercising any or all other rights that Seller may have, require payment of Cash upon delivery, and Seller may, upon written notice to Buyer at any time, terminate all Seller's obligations under any one or more of such orders. Upon any termination pursuant to this clause, Buyer shall thereupon become obligated to pay to Seller the same sum in respect to each such order as if such order had been cancelled by Buyer with Seller's consent and consent and settlement had been made on the basis set forth in Paragraph 10 of these Terms and Conditions.
13. **TAXES:** Prices do not include any present or future Federal, State or Local sales, use, excise, manufacturing, processing or importation tax, or any other tax or charge, that is or may be imposed on the articles or services covered hereby or on subsidiary articles or material incorporated therein. Any such taxes or charges will be added to the invoices as separate items, unless appropriate exemption certificates are furnished to Seller.
14. **MANUFACTURING POLICY:** Production quantity under-runs will be held to a minimum consistent with accepted industry manufacturing practices.
15. **PATENTS:** Seller will defend any suit or proceeding against Buyer, insofar as it is based on a claim that any article or part thereof furnished hereunder constitutes an infringement of any patent of the United States, if Seller is notified promptly in writing and given authority, information and assistance (at Seller's expense) for the defense or settlement of the same, and Seller will pay all damages and costs which by final judgment (or by settlement agreed to by Seller) are awarded therein against Buyer, provided however that no obligation or liability shall result from the foregoing provision if (a) any such article or part is manufactured in accordance with any design, drawing or specification that is furnished to Seller by or for Buyer, and that is not based on Seller's design, drawing or specification, or (b) alleged infringement arises out of, or is based upon, the use of the article with another article or material or in a particular manner, if, in a suit, or in a proceeding in respect of which Seller is liable as above provided, the article or part is held to constitute infringement and the use thereof is enjoined (or Seller consents to the non-use thereof), Seller will, at Seller's expense, at Seller's option, procure for Buyer the right to continue using such article or part, or replace it with a non-infringing article or part, or modify it so that it becomes non-infringing, or refund the purchase price and the transportation costs upon return to Seller of the infringing article or part. The foregoing provision sets forth Seller's entire liability for, or resulting from patent infringement or claim thereof.
16. **FORCE MAJEURE:** Seller shall have no liability whatsoever, nor shall this order be subject to cancellation for delays and delivery due to act of God, civil or military riot or commotion, strikes, labor disturbance, vandalism, fire, war, insurrection, transportation, weather, federal, state or municipal orders and directions, default of supplier or subcontractor or due to any other cause beyond Seller's control. In such an event or events causing delay for such cause, the specified delivery date shall be extended for a reasonable length of time, but not less than the period of delay.
17. **GENERAL:** If any such clause, sentence, word or other terms of this agreement are found or declared by law or legal proceedings to be unenforceable, void or illegal, the remainder of said agreement shall remain in full force and effect and binding on the parties hereto. The terms and conditions herein contained shall, unless otherwise specifically agreed to by Seller in writing, be the sole terms and conditions governing any purchase and sales contract entered into between the Buyer and Seller. Stenographical and clerical errors are subject to correction. No modification or addition to or waiver of any of the terms and conditions hereof will be effective unless agreed to in writing by Seller. This contract is made and entered into in the State of Illinois, therefore, this agreement and all amendments, additions and modifications thereto shall be governed and construed and interpreted in accordance with and by the laws of the State of Illinois and is so accepted.