

CG Industries, Ltd. Terms and Conditions of Sale

1. **Offer; Acceptance.** These terms and conditions (these "Terms") are deemed part of all quotations, acknowledgments, invoices, purchase orders and other documents, whether electronic or in writing, relating to the sale of products or services (collectively, the "Products") by CG Industries, Ltd. ("CGI"). CGI hereby objects to any terms or conditions proposed in Buyer's purchase order or other documents which are inconsistent with, or in addition to, these Terms.
2. **Prices; Payment.** All prices stated are current, subject to change without notice by CGI. Buyer agrees to pay the price in effect at time order is received. Payments for Products received are due at time of shipment unless otherwise stated in the invoice. Accepted methods of payment are Credit Card (VISA, MasterCard, Discover, AMEX) or by CGI account in good standing.
 - (a) **Bench Fees.** A non refundable bench fee of \$35.00 will be charged for all parts that are deemed unrepairable. Parts requested for return will incur our standard shipping and handling fee.
 - (b) **No Problem Found (NPF) charges.** All Products received by CGI that undergo analysis and testing will be charged at full price whether or not a problem can be found. It is the Buyer's responsibility to verify a problem exists with the part before sending it to CGI for repair. However, if a fault between multiple Products cannot be determined, those Products should be sent in and CGI will charge only for the part that is defective. Products meeting the conditions of warranty will not be charged. All products subject to NPF charges receive full warranty coverage under the terms of the applicable CGI warranty.
 - (c) **Exchange Products core charges.** A core charge for an Exchange Part will be assessed upon sale of that part. A credit equal to the amount of the core charge will be issued to the Buyer of record by CGI upon receipt by CGI of the appropriate core part. The returned core part must be received by CGI within 60 days of the original date of sale.
3. **Currencies.** All prices quoted herein are in U.S. dollars.
4. **Governmental Approvals.** Buyer shall be responsible for, and shall bear all costs involved in, obtaining any government approvals required for the importation or sale of the Products.
5. **Taxes.** All taxes, duties and other governmental charges required to be collected directly or indirectly for the manufacture, production, sale, delivery, importation, consumption or use of the Products sold hereunder (including customs duties and sales, excise, use, turnover and license taxes) shall be remitted by Buyer.
6. **Financial.** If the financial position of Buyer at any time becomes unsatisfactory to CGI, CGI reserves the right to stop shipments or require satisfactory security or payment in advance. If Buyer fails to make payment or otherwise comply with these Terms or any related agreement, CGI may (without liability and in addition to other remedies) cancel any unshipped portion of Products sold hereunder and stop any Products in transit until Buyer pays all amounts, including amounts payable hereunder, whether or not then due, which are owing to it by Buyer. Buyer shall in any event remain liable for all unpaid accounts.
7. **Cancellation; Etc.** Orders are not subject to rescheduling or cancellation unless Buyer indemnifies CGI fully against all costs or expenses arising in connection therewith.
8. **Force Majeure.** CGI shall not be liable for any delay or failure in delivery resulting from causes beyond its control, including earthquakes, fires, floods, strikes or other labor disputes, shortage of labor or materials, accidents to machinery, acts of sabotage, riots, delay in or lack of transportation or the requirements of any government authority.
9. **Shipping; Delivery.** Unless otherwise expressly requested by Buyer and agreed by CGI:
 - (a) All Return for Repair (All "RFR") Products inbound to CGI for repairs are FOB CGI's dock. No inbound RFR shipping costs or risk of loss while in-transit to CGI will be borne by CGI;
 - (b) All sales and shipments of Products shall be FOB CGI (unless otherwise stated in writing by CGI), at which point title to and all risk of loss of the Products shall pass from CGI to Buyer, provided that CGI shall retain a security interest in the Products until the full purchase price is paid by Buyer;
 - (c) Outbound Shipments of RFR parts shall be by a carrier and method selected by CGI where freight costs for deliveries to the continental U.S. will be paid by the customer. Costs for shipments outside the continental U.S., for special carriers and/or for special delivery options selected by the Buyer will be at an additional cost to the Buyer. Outbound Shipments for all other services shall be by a carrier and method selected by CGI;
 - (d) Such carrier shall act as the agent of Buyer and delivery to such carrier shall constitute delivery to Buyer;
 - (e) All shipping and delivery dates are estimates only.
 - (f) CGI will package Products as it deems proper for protection against normal handling and extra charges apply to special conditions.
10. **Claims.** Any claim by Buyer against CGI for shortage or damage to the Products must be presented in writing to CGI within 30 days of receipt of shipment.

11. **Warranties.**

- (a) CGI's exclusive warranty is that the Products will be free from defects in materials and workmanship when used according to professional norm, standards and practices. The warranty is for a period of six months from the date of installation for residential applications and ninety days from the date of installation for non-residential applications (e.g. commercial and industrial applications) or such other period expressed in writing by CGI. All residential and non-residential application installations must occur within six months from date of sale to qualify for warranty. CGI disclaims all other warranties, express or implied.
- (b) CGI shall not be liable for the suitability or unsuitability or the results from the use of Product in combination with any electrical or electronic components, circuits, system assemblies, or any other materials or substances or environments. Any advice, recommendations or information given orally or in writing are not to be construed as an amendment or addition to the above warranty.
- (c) **Limitations.** CGI makes no warranty or representation, express or implied, about non-infringement, merchantability or fitness for a particular purpose of the Products. Buyer acknowledges that it alone has determined that the Products will suitably meet the requirements of their intended use. CGI further disclaims all warranties and responsibility of any type for claims or expenses based on infringement by the Products or otherwise of any intellectual property right.
- (d) **Buyer Remedy.** CGI's sole obligation hereunder shall be to repair or replace the non-complying Product or, at CGI's election, to repay or credit Buyer an amount equal to the CGI applicable repair or selling price of the Product. In no event shall CGI be responsible for warranty, repair, indemnity or any other claims or expenses regarding the Products unless CGI's analysis confirms that the Products were properly handled, stored, installed and maintained and not subject to contamination, abuse, misuse (including but not limited to incorrect wiring, assembly or connection to a defective system component) or inappropriate modification. Return of any Products by Buyer must be approved in writing by CGI before shipment and must be in the form originally shipped with Buyer responsible for labor charges for removal or replacement thereof.

12. **Limitation on Liability; Etc.** CGI shall not be liable for special, indirect, incidental or consequential damages, loss of profits or production or commercial loss in any way connected with the products, whether such claim is based in contract, warranty, negligence or strict liability. Further, in no event shall liability of CGI exceed the individual price of the Product on which liability is asserted.

13. **Indemnities.** Buyer shall indemnify and hold harmless CGI, its affiliates and its employees from and against all liabilities, losses, claims, costs and expenses (including attorney's fees and expenses) related to any claim, investigation, litigation or proceeding (whether or not CGI is a party) which arises or is alleged to arise from Buyer's acts or omissions under these Terms or in any way with respect to the Products.

14. **Precautions on Specifications and use.**

- (a) **Suitability for use.** CGI shall not be responsible for conformity with any standards, codes or regulations which apply to the combination of the Product in Buyer's application or use of the Product. Buyer shall be solely responsible for determining appropriateness of the particular Product with respect to Buyer's application, product or system. The Buyer is responsible to know and observe all prohibitions of use applicable to this product.
- (b) **Programmable Products.** CGI shall not be responsible for the user's programming of a programmable Product, or any consequence thereof.
- (c) **Never use the product for an application involving serious risk to life or property without enduring that the system as a whole has been designed to address the risks, and that the product is properly rated and installed for the intended use within the overall equipment or system.**

15. **Miscellaneous.**

- (a) **Waiver.** No failure or delay by CGI in exercising any right and no course of dealing between Buyer and CGI shall operate as a waiver of rights by CGI.
- (b) **Assignment.** Buyer may not assign its rights hereunder without CGI's written consent.
- (c) **Law.** These Terms are governed by Illinois law (without regard to conflict of law principles). Federal and state courts in Illinois shall have exclusive jurisdiction for any dispute hereunder.
- (d) **Amendment.** These Terms constitute the entire agreement between Buyer and CGI relating to the Products, and no provision may be changed or waived unless in writing signed by the parties.
- (e) **Severability.** If any provision hereof is rendered ineffective or invalid, such provision shall not invalidate any other provision.
- (f) **Setoff.** Buyer shall have no right to set off any amounts against the amount owing in respect of this invoice.

16. **Errors and Omissions.** All information in this document has been carefully checked and is believed to be accurate; however, no responsibility is assumed for clerical, typographical or proofreading errors, or omissions.