

## **TERMS AND CONDITIONS OF SALE AUTHORIZED STOCKING DISTRIBUTORS (ASD)**

**PRICES** - Authorized Stocking Distributors may purchase any item shown in the price list, regardless of quantity, at the assigned distributor multipliers. Prices are subject to correction of clerical errors and change without notice. All sales are in U.S. dollars.

**NON-STANDARD PRODUCTS** - Non-standard products are those catalog numbers not included in current Price List. Consult Micron for minimum order quantities and set-up charges.

**QUANTITIES** - Micron reserves the right to ship 5% more units than ordered.

**CANCELLATION CHARGE** - A minimum cancellation charge of \$50.00 may be assessed on all orders for standard product cancelled prior to Micron acknowledged shipping date requests for cancellation of custom designs will be accepted at the discretion of Micron Industries Corporation, and cancellation charges, if assessed, will reflect the timing of the request, value of the work completed and in-process, and other non-recoverable costs. Purchase orders which are partially cancelled will be adjusted and invoiced at pricing based on actual quantities shipped.

**PAYMENT TERMS** - Unless otherwise stipulated, payment terms are net 30 days.

**FREIGHT** - Shipments requested at the same time to the same destination to the 48 contiguous United States which have a minimum value of **\$700.00** will be shipped via ground transportation, FOB Elmhurst, Illinois, freight prepaid and allowed. Shipments requested at the same time to the same destination to Hawaii, Canada, Mexico and Alaska which have a minimum value of **\$2,000.00** will be shipped via ground transportation, FOB Elmhurst, Illinois, freight prepaid and allowed. Requested shipments below these limits will be shipped FOB Elmhurst, Illinois. There are no penalties for drop shipments. Delivery to the initial carrier will constitute delivery to the buyer; all goods are shipped at buyer's risk.

### **RETURNED GOODS -**

- (a) No merchandise may be returned without a "Returned Goods Authorization" which must be obtained in advance from Micron Industries.
- (b) Authorized Stocking Distributors will be allowed to return those products currently STOCK-SUPPORTED by Micron for stock adjustment as required for full credit provided that:
  - (i) Credit based on current distributor price list.
  - (ii) An order of equal or greater value accompany the returned goods authorization request.
  - (iii) Units be returned to Micron freight prepaid unless directed otherwise by Micron.
  - (iv) All products returned are unused, of CURRENT DESIGN and in new and salable condition, and subject to inspection and acceptance by Micron Industries Quality Control Department. Non-acceptable material will be returned at the expense of the distributor.
  - (v) Unusual quantities, as determined by Micron, excluded.
- (c) Stock adjustments without an offsetting order subject to a 25% restocking charge.

**WARRANTY** - Micron Industries Corporation ("Micron") warrants to Purchaser equipment manufactured by Micron against defects in workmanship or material for twenty years for GlobalTRAN, ImperviTRAN and EconoTRAN construction transformers rated 600 volts and below. Units rated above 600 volts are warranted for one year. Other open construction products are warranted for five years. General Purpose (LVGP) product is warranted for one year. All warranties commence on the date of shipment.

Micron is not liable under the foregoing Warranty if the claim defective item was subjected to abnormal, unusual or unforeseeable use or conditions of operation, including, without limitation, improper primary voltage and frequency or improper ventilation. This Warranty does not apply to equipment and components not manufactured by Micron such as switches, fuses, terminal blocks and capacitors, or to equipment and components which have been repaired or altered other than by Micron.

Purchaser shall make any claim based on this Warranty by providing written notice of such claim to Micron within thirty (30) days after discovery of the claimed defect. The notice of claim will describe the claimed defect. Purchaser shall pay freight and insurance for delivery of the item to Micron and for the re-delivery of Purchaser. If Micron determines after inspection that a defect exists, then the remedies below will apply.

This Warranty is made to and claims hereunder may be made only by Micron's direct purchaser. Micron and purchaser agree that (i) upon breach of the Warranty set forth herein, at Micron's sole option, Micron will repair or replace any defective item or refund the purchase price of any defective item, and (ii) upon breach of any other obligation to Purchaser, the liability of Micron to Purchaser for damages shall be limited to the purchase price paid by Purchaser for the defective item. Purchaser acknowledges that such remedies are Purchaser's exclusive remedy with respect to a defective item or breach hereunder.

Notwithstanding and in addition to all other provisions hereof, MICRON WILL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR SPECIAL DAMAGES OF ANY KIND INCLUDING, WITHOUT LIMITATION, ANY LOSS OF PROFITS.

THE FOREGOING WARRANTIES ARE MADE IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND MERCHANTABILITY. THIS WARRANTY IS THE COMPLETE AND EXCLUSIVE AND FINAL STATEMENT OF THE WARRANTIES MADE BY MICRON AND ACCEPTED BY PURCHASER AND MAY NOT BE VARIED BY PRIOR AGREEMENTS, ORAL REPRESENTATIONS OR ANY OTHER TERMS NOT SET FORTH HEREIN.