

PHILIPS HADCO

STOCKING DISTRIBUTOR NET PRICES EFFECTIVE JANUARY 2, 2013 (SUPERCEDES ALL PREVIOUS PRICES)

TERMS AND CONDITIONS

CASH DISCOUNT

1% NON STOCKS, NET 30 days.

PRICE AND QUOTATIONS:

- A. The prices shown in Philips Hadco's price list or in any order acknowledgment are prices prevailing at the time of this publication. Philips Hadco reserves the right to change such prices at any future date. Unless otherwise provided in writing, orders will be billed at prices prevailing at time of shipment. A price list is not in itself an offer to sell.
- B. Prices issued by a written standard quotation are firm for 90 days from date of quotation. Purchase orders received and acknowledged within this 90-day period will be price protected for shipment within 90 days from the date of the order. Prices issued by a written non-standard quotation authorized by Philips Hadco's Corporate Offices may offer price protection for a different period. Releases for shipments beyond the price-protected period (standard or non-standard) will be increased in price at the rate of 1% per month.
- C. Additions to orders already processed shall be considered separate orders and shall be priced accordingly.
- D. All prices are subject to additional federal, city and state taxes, if applicable, unless appropriate exemption certificate is on file at Philips Hadco's Headquarters.

PURCHASE ORDERS:

- A. To assure expeditious handling, orders must be faxed or e-mailed on legible order forms.
- B. The acceptance of the Buyer's purchase order is contingent upon written acknowledgement by Philips Hadco, in the form of a letter or printed acknowledgement.
- C. The acceptance of Buyer's order is expressly made conditional upon Buyer's assent to these Terms and Conditions and to the terms and conditions stated on Philips Hadco's printed acknowledgement. Philips Hadco agrees to furnish the merchandise covered by its price list only upon such terms and conditions. In the absence of any written notification to the contrary, and by virtue of the issuance of a purchase order, Buyer shall be deemed to have accepted terms and conditions as stated herein and in Philips Hadco's acknowledgement. If there is any conflict between the terms and conditions stated herein and in Philips Hadco's acknowledgement, the terms and conditions contained in the acknowledgement shall prevail. Philips Hadco's failure to object to provisions contained in the Buyer's forms shall not be deemed a waiver of the provisions in Philips Hadco's terms and conditions. All additions, deletions or other changes to or in an order are subject to all of the Terms and Conditions herein.
- D. Hold for release orders are not accepted.

SPECIFICATIONS, VARIATIONS, ERRORS:

- A. Merchandise will be shipped in accordance with the standard styles and sizes as described in Philips Hadco catalogs or, if special or made-to-order, in accordance with Philips Hadco drawings and specifications sheets. In the event of a conflict between a customer's written order and a Philips Hadco drawing or specification sheet marked "approved", the Philips Hadco drawing or specification sheet shall prevail. Philips Hadco reserves the right to change details of design, materials and finish.
- B. Effort is made to avoid errors in catalogs, price sheets, specification sheets and other data. However, Philips Hadco will not accept responsibility for any damages including labor charge backs in connection with errors of measurements, prices, descriptions, etc.
- C. Philips Hadco will not be bound by Buyer's general or blanket instructions. Full instructions for the order itself must be agreed to in writing by Philips Hadco.
- D. Orders containing such phrases as "all material to be supplied as per project plans and specifications", etc., are subject to separate written acceptance and agreement by Philips Hadco.

MINIMUM ORDERS:

A \$25.00 service charge will be added to each order under \$300.00.

PACKAGING:

Method of packaging is at Philips Hadco's option. If Buyer requires special packaging, request must be made in writing and charges for special packaging, handling and delivery shall be added to the price of the fixture. Export packaging may be charged as an extra.

DELIVERY AND TRANSPORTATION:

- A. All merchandise is sold, and all shipments are made, F.O.B. the factory of Philips Hadco.
- B. When a \$2,500.00 net order is accepted for shipment at one time, domestic freight will be prepaid by Philips Hadco with no charge to the customer in the Continental United States. Freight allowance for Alaska, Hawaii and all exports will be made to the nearest port of embarkation.
- C. Philips Hadco will use its discretion in routing all shipments, and reserves the right to select carrier and method of shipment. Any shipment made in accordance with Buyer's instruction shall incur additional costs to be paid by Buyer as invoices are rendered.
- D. The shipment date mentioned on our quote or order acknowledgement, if any, is Philips Hadco's approximation of a shipment date and is not a fixed or guaranteed shipment date. Shipment of merchandise is subject to any and all delays due to any condition or occurrence whatsoever including but not limited to strikes, fires, riots, wars, acts of God, inability to obtain materials, production scheduling delays, government regulations or other conditions. Philips Hadco shall not be responsible to Buyer or Buyer's customers or others for any damages or losses resulting, whether directly or incidentally, from delayed shipments from Philips Hadco or from Philips Hadco's inability to ship on or before an estimated date.
- E. Philips Hadco reserves the right to make shipment installments unless otherwise expressly stipulated in the order acknowledgement. All such installments shall be separately invoiced and paid for when due, without regard to subsequent shipments. Delay in the shipment of any installment will not relieve Buyer of its obligation to pay for previous or subsequent shipments.
- F. Philips Hadco reserves the right to refuse to make direct shipments to destinations outside Buyer's regular service area(s).

STORAGE:

If any shipment made in accordance with Buyer's instructions is refused for whatever reason, Buyer shall be responsible for payment of such merchandise, in accordance with the terms hereof, as though such merchandise has been accepted at the time of original delivery. Buyer shall also be responsible for reasonable storage, handling and delivery charges and shall pay reasonable storage charges until such merchandise is delivered and accepted.

PAYMENT AND CREDIT:

Buyer shall make any subsequent payments as specified herein and Philips Hadco may suspend shipment or delivery until such payments are made. Philips Hadco reserves the right to charge a service charge of 1 1/2% per month, but not in excess of any lawful rate, if Buyer is delinquent. Philips Hadco may at any time limit or cancel the credit of Buyer and, before delivering goods to Buyer, require Buyer to pay in cash for such goods and to pay for goods theretofore delivered. Failure by Buyer to make any such payments as demanded in writing shall constitute a breach of this agreement by Buyer. Approval of credit of one or more deliveries shall not be deemed a waiver hereof. Philips Hadco shall be entitled to reimbursement for all costs and expenses (including reasonable attorney's fees) incurred by it in connection with collection of any amounts for goods sold in the event payment therefore shall not be made when due.

SECURITY INTERESTS:

Philips Hadco shall retain a security interest in all goods sold until the full amount of the purchase price (including any service charges) has been paid by Buyer. In the event Buyer shall default in payment of the purchase price, Philips Hadco shall have the right, in addition to and exclusive of any other rights it may have under the Uniform Commercial Code or otherwise, to enter upon the premises where the goods are located and retake possession thereof, without notice, free from any claims of Buyer. At the request of Philips Hadco, Buyer will join Philips Hadco and any assignee of Philips Hadco in preparing, executing and causing to be filed any and all financial statements pursuant to the Uniform Commercial Code. Buyer hereby authorizes Philips Hadco and any assignee of Philips Hadco to sign financing statements in Buyer's name and to file same in all places where necessary or appropriate to perfect any such security interest which Philips Hadco or such assignee has in all jurisdictions where such authorization is permitted by law.

CLAIMS AND ADJUSTMENTS:

- A. Claims for shipping errors or merchandise defects will be waived unless made in writing to Philips Hadco, 100 Craftway Drive, Littlestown, PA 17340 and within 30 days after receipt of merchandise.
- B. Philips Hadco's sole obligation and Buyer's exclusive remedy against Philips Hadco in the event of defective merchandise shall be limited to the repair or replacement of the merchandise, at Philips Hadco's option, at its own cost and expense (but excluding site labor charges). Philips Hadco shall not be liable for any other damage or loss, which may be sustained or claimed.
- C. Claims for shortages, losses and apparent or concealed damages sustained in transit shall be made by Buyer with the carrier, must be documented on delivery receipt and carrier must be notified immediately. Upon request, Philips Hadco will provide evidence of goods turned over to a carrier, but reserves the right to charge a reasonable fee for all proof of delivery requests.

RETURNED GOODS:

Requests to return non-defective standard merchandise must be made within 90 days from the date of shipment and shall be subject to a minimum re-stocking/return charge of 50% at Philips Hadco's discretion; Philips Hadco reserves the right to charge more than this minimum amount. Only regular items in the current line are returnable. Special, made-to-order, non-standard, or discontinued merchandise is not subject to return. All returned goods must be accompanied by a "Return Material Authorization (R.M.A.)" issued by Philips Hadco and must be returned in the original factory-sealed carton in saleable condition, freight prepaid within 30 days of the date of Philips Hadco's issuance of the R.M.A. All merchandise returned is subject to inspection. Unsalable and damaged merchandise will be credited at salvage value or less costs of repairs. Philips Hadco reserves the right to issue credit at prices prevailing at time of shipment, or time of return, whichever is lower, less the re-stocking charge.

CANCELLATION CHARGES:

All acknowledged orders are subject to a minimum cancellation charge of 50% of the invoiced amount; Philips Hadco reserves the right to charge more than this minimum amount.

EISA COMPLIANCE:

PLEASE NOTE THAT ALL 150W – 500W METAL HALIDE FIXTURES ARE IN COMPLIANCE WITH EISA, TITLE 20, AND TITLE 24. THERE ARE SOME CHANGES TO OUR WATTAGE OFFERINGS IN AFFECTED PRODUCT LINES. COMMON PROBE START WATTAGES SUCH AS 175 AND 400 WATT METAL HALIDE ARE BEING CONVERTED TO LOWER WATTAGE PULSE-START SOURCES (150 AND 320, RESPECTIVELY) WITH EQUIVALENT LUMEN OUTPUT. 250W METAL HALIDE WILL REMAIN 250W, BECOMING PULSE-START WITH A HIGHER LUMEN OUTPUT.