

STANDARD TERMS AND CONDITIONS OF SALE

1. We warrant that processing and finishing meets customer's written specifications supplied with order and that processing and finishing is free from defect in material or workmanship as specified and limited by terms and conditions set forth herein below. If customer specifies methods and procedures, we will assume no responsibility for correctness of methods and procedures or results. In the absence of full disclosure by the customer of the use of material or parts to be processed and finished. We assume no liability for subsequent failures or defects.
2. Our liability for any cause is limited to the cost of direct labor and material of product lost or directly damaged by our processing or three times our processing charges on such material, whichever is less. Our charges are based on this policy limiting liability. By placing your order, you expressly agree to this limitation. Customer also agrees that we shall not be liable to customer or to any parties claiming through customer, in contract or tort, for any direct, special, indirect, consequential or other damages or expenses of any kind arising from any cause whatsoever, including but not limited to personal injury, property damages, loss of profits, loss of production, recall or any other losses, expenses or damages, and customer shall indemnify and hold us harmless from all such claims, damages and liabilities, and all attorneys fees and court costs which may be incurred by us in defending any such claims which exceed the amount of liquidated damages provided in this paragraph.
3. No claim for shortage in weight or count or for foreign parts will be allowed unless made in writing and presented or mailed within three (3) working days after receipt of material by customer or customer's consignee provided, however, a shrinkage of quantity in processing of two percent (2%) shall be allowed without charge or liability. Further, foreign parts or material constituting two percent (2%) of the finished merchandise shall be allowed without charge or liability. If claim is based on foreign parts, we must have opportunity to inspect and to sort. We will, in no event be responsible for weight counts or other inspection functions for merchandise received from third parties on behalf of the customer. In order to assert a claim against us, the customer must return any material or merchandise processed by us, (see SWD Inc. Procedure 13-01-05 **Return Goods Authorization** for the return procedure), for our inspection. No claim shall be allowed until such inspection is performed by us. To satisfy a claim, we will have the right, but not the obligation, to reprocess the material at our cost.
4. Any material or merchandise found, upon our inspection, to be improperly processed by us will be refinished without charge provided:
 - a) notice of defect is given verbally within 3 working days and in writing within ten (10) working days from the date of delivery.
 - b) we are given the opportunity to inspect material prior to return,
 - c) materials returned are in the same condition as when originally delivered by us. Processing or assembly of any such rejects by customer or any other party shall constitute a waiver of any liability on our part.
5. We assume no liability for any loss of or damage to material while in transit to or from our factory, whether in trucks or vehicles owned by us, the customer, or any third person acting in our or the customer's behalf.
6. In the event results of metal finishing operations are unsatisfactory due to metal imperfections, changes in grade or composition of materials, manufacturing and/or fabrication imperfections, usages for which the plating or other finishing operation was not reasonably designed, and any variables over which we have no control, the customer is required to pay the contracted amount for the finishing operation performed.
7. We reserve the right either to reject work or to make any extra charge for finishing any base metal below our agreed standard.

- 8.** We assume no responsibility for defective plating or other finish on materials previously plated or finished by others. Further, we assume no responsibility for jobs we are attempting to salvage such as parts that have burned on oil, are over or undersize, or any other defect. Salvage means parts that are defective or damaged (out of spec.) and we are attempting to save them.
- 9.** We are not, under any circumstances, an insurer of customer's material or merchandise and shall not be liable, regardless of cause, for loss by fire, explosion, theft, pilferage, vandalism, casualty or acts of God while such material or merchandise is in our possession. The provisions of this section may be altered or modified by separate written agreement and any liability we therein assume will be covered by a separate charge for such coverage.
- 10.** Quotations are open for acceptance thirty (30) days from issuance. After thirty (30) days, prices and terms are subject to change without notice. Unless otherwise specified in our written quotation.
- 11.** Quotations, orders, or agreements, or modifications are contingent upon and subject to any and all occurrences beyond our control, including but not limited to, strikes or boycotts, (whether occurring at our factory, your plant or factory, the plant or factory of any supplier, either of the customer or of ourselves, or elsewhere), accidents, thefts, fires, war, shortage of materials, or equipment, casualty, or acts of God, and we shall not be liable for failure to perform any agreement for such causes.
- 12.** In special or experimental processing and finishing, our charges are not contingent upon the success of the work or the benefit derived by customer.
- 13.** Deliveries made by us within ten (10) days of the time specified shall be deemed in full compliance with our agreement. It is agreed that we shall have the right to make partial or installment deliveries, for which the customer shall pay at the contract price. Defective delivery or non delivery with respect to any installment or partial delivery under this contract shall be a severable breach and shall not give the customer the right to treat the entire contract as breached.
- 14.** Special tools, racks and fixtures required for the performance of the work herein described which have been designed and/or built by us shall be and remain our property whether or not customer is charged with time and/or material in connection therewith.
- 15.** In the event of customer's cancellation of order, customer shall reimburse us for the work completed and work in process and for expenses incurred in connection with such order including handling, transportation, storage and any lost profit.
- 16.** All customers' materials in our possession shall be subject to a general lien for any and all monies owing by customer to us, whether or not due or payable.
- 17.** During storage and transportation of customer's material, customer's containers used for delivery to us shall be used for reshipment and any damage resulting from the use of such containers shall be at the customer's risk. Should customer desire other packaging or containers, we will charge for material and handling and will provide such service upon receipt of a written order. Additional charges may be incurred by the customer for repackaging goods to other specifications.
- 18.** Invoices unpaid on due date shall be considered delinquent and thereafter subject to a FINANCE CHARGE computed by a single monthly periodic rate of one and one-half percent (1.5%) being an ANNUAL PERCENTAGE RATE of eighteen percent (18%).
- 19.** The provisions of the Uniform Commercial Code shall govern unless these Terms and Conditions provide to the contrary and all interpretation of the terms of the transaction between the parties shall be governed by the laws of our state of Illinois.
- 20.** If any provision or part of this instrument shall be declared invalid by a court of competent jurisdiction, such invalidation shall not affect the valid provisions hereof.
- 21.** Customer shall pay and discharge all costs, expenses and attorney's fees which shall be incurred and extended by us in enforcing the covenants and agreements of this contract, whether by the institution of litigation or in taking the advise of counsel, or otherwise.

- 22.** We make no warranties or representations, expressed or implied, as to workmanship, performance, quality, durability, fitness for purpose or merchantability for any of the articles we process. This disclaimer is for all liability including, among other liability for consequential, incidental and special damages. The only warranties apply in to such articles are those which are written and are specifically provided by us. Seller makes no warranties concerning the manufacturer's warranties. **The Warranty expressed in this paragraph 22 is exclusive and in lieu of all other warranties, expressed or implied, including any warranties of merchantability or fitness for particular purpose.**
- 23.** Environmental and Energy Surcharges (EES) may be in effect during processing of customers' parts. Please contact your SWD representative for further information regarding these charges.
- 24.** The provisions hereof constitute the entire agreement between the parties. Any changes, alterations, or waivers with respect to any matter set forth herein must be in writing, signed by our authorized representative and a representative of customer. These terms and conditions shall apply to any order or agreement for the processing of any materials. Our acceptance of your order is expressly made conditional on your assent to these terms and conditions.