

TERMS AND CONDITIONS FOR INDUSTRIAL DISTRIBUTORS EFFECTIVE:

January 1, 2014

THE FOLLOWING TERMS APPLY AGAINST ORDERS FOR MAYHEW STEEL PRODUCTS® (herein "Mayhew Tools") ***The mere possession of these Terms and Conditions by an individual or company is not to be construed as an offer to sell that individual or company the products covered by these Terms and Conditions. Mayhew Tools reserves the right to withdraw discounts and/or rebates from any distributor, at any time, for any reason whatsoever.***

ACCEPTANCE: No order placed with Mayhew Tools shall be considered as accepted until officially acknowledged by Mayhew Tools. Except as otherwise agreed to in writing by Mayhew Tools and distributor, the following sets forth all of the terms of the purchase and sale of goods between Mayhew Tools and distributor and supersedes all prior agreements, offers, representations and negotiations between them to the extent that they conflict with or are in addition to the terms contained herein, this being intended as a final expression and complete and exclusive statement of the terms of the agreement. If Mayhew Tools acknowledgement contains terms additional to or different from the distributor's order, it shall be effective as an acceptance of such order only if such terms are included in the agreement and they shall be so included if not objected to in writing within ten (10) days from the date of Mayhew Tools acknowledgement. On all orders where delivery dates or a delivery schedule are not specifically set forth, delivery shall be subject to Mayhew Tools ability to produce and deliver the items called for in the normal course of business.

MINIMUM ANNUAL SALES REQUIREMENTS: Mayhew Tools reserves the right to deactivate and reject orders placed by distributors whose annual purchases are less than \$1,000.

MINIMUM ORDER WITHIN CONTINENTAL USA: \$500 for initial opening order, \$125 for subsequent re-orders.

MINIMUM ORDER OUTSIDE OF CONTINENTAL USA: \$1,000 for initial opening orders, and \$250 for subsequent re-orders.

PREPAID FREIGHT: All shipments are FOB shipping point. Prepaid freight orders must be a minimum of \$1,000 net billing and ship to one location within the continental United States (routing our choice). Product that is unavailable for shipment at the time of shipment of the original purchase order will be shipped pre-paid when available. Carrier for these "back-ordered" parts will be at the sole discretion of Mayhew Tools.

- **ROUTING INFORMATION:** All order specific routing information must be clearly indicated ON THE PURCHASE ORDER. This includes but is not limited to; carriers, account numbers, special shipping instructions.
- **WEIGHT LIMITATIONS:** Maximum weight for orders specifying **UPS** shipments is 120 LBS. Orders specifying UPS with a weight greater than 300 LBS will be routed via Customers preferred LTL carrier if specified, or prepaid & add.
- **SIZE LIMITATIONS:** Maximum size (length) for orders specifying **UPS** shipments is 63 inches. Orders specifying UPS with a length greater than 63 inches will be routed via Customers preferred LTL carrier if specified, or prepaid & add.

FREIGHT OUTSIDE THE CONTINENTAL US: All shipments are FOB shipping point. Prepaid freight on orders of \$1,000 or more at net billing are FOB US port within the continental United States (routing and port our choice). All taxes, duties, and freight from US port are the responsibility of the buyer.

MAGNETIC DOCUMENTATION SURCHARGE: To comply with regulations governing the shipment of magnetic items, it is necessary to add a surcharge of \$20.00 for each package that contains magnetic material. This surcharge will be calculated at the time of shipment, and will be added to the invoice.

SAME DAY ORDERS: Same day orders must be placed with, and accepted by, the Customer Service Representative ("CSR") by 1:00 EST. Orders are limited to 10 part numbers or less on one P.O. Additions and deletions cannot be accepted.

STANDARD PACKAGE QUANTITY: All orders must be by Mayhew item number. Mayhew Tools® products must be ordered in standard package quantities. A surcharge of **30%** will be added to each item on orders that are less than standard pack quantity.

PRICING POLICIES: All prices are F.O.B. Shipping Point. Prices and payment terms are subject to change without notice to distributor. Prices and payment terms applicable to an order (including those applicable to end user contracts) are those in effect at the time of shipment, except that, in the event of a price increase, Mayhew Tools will honor the price in effect at the time of acceptance of the order, provided that it was scheduled for delivery within **[30]** days of acceptance of the order.

ADDITIONS: Depending on where an order is in the shipping process, we may not be able to accept additions to original orders. Requests for additions to orders previously received that are received too late in the shipping process will be considered and invoiced as separate orders.

CANCELLATION. No order may be cancelled or altered without the express written consent of Mayhew Tools. In the event of such an approved cancellation, Mayhew Tools shall be entitled to any costs incurred in connection with such cancellation.

SHORTAGE AND DAMAGE CLAIMS: All products are sold F.O.B. Shipping Point. Risk of damage or loss shall pass upon delivery to the carrier at the point of shipment. Mayhew Tools responsibility for products ends upon receipt by the freight carrier.

- In case of shortage, distributor should notify at once the delivery freight carrier and promptly file a claim with the carrier. Shortages should be noted on the freight bill whenever possible.
- Shortages to the Packing Slip: Packing Slip shortages must be reported to CSR within 15 days. If a missing or damaged item is needed, an additional order may be placed for expedited shipment. However, deductions from invoices for shortages and damage claims will not be permitted.

RETURNED GOODS: Goods, including those resulting from shipping errors, cannot be returned without a Returns Good Authorization (RGA) Form from the distributor's CSR. Discontinued items and promotions are NOT returnable. Only current active part numbers of current design that were purchased within the past 12 months and are in salable condition will be accepted. All authorized returns must be in Standard Package Quantities and in original boxes with original lot control numbers intact. Credit will be issued at the price paid. All Stock Adjustment Returns are subject to a 30% restocking charge, unless an offsetting order is place of greater value, and must be freight prepaid. Credit for Returned goods will not exceed 5% of previous year's sales. All products must be free of specific labeling other than that originally applied by Mayhew Tools. Receipt of product with customer's labeling will be deemed to be unsalable and will be disposed of without issuance of credit.

WARRANTY: Mayhew Tools® products are warranted according to the warranty listed below. In the event of a warranty claim by an end-user that meets the applicable warranty criteria, the distributor MUST replace or repair the product free of charge in accordance with the applicable warranty. In order to receive a replacement of a covered product, the distributor must contact a CSR at Mayhew Tools for a RGA and return the product to Mayhew Tools. Mayhew Tools will only accept ground shipments. REPLACEMENT WILL ONLY BE ISSUED IF THE PRODUCT IS RETURNED TO MAYHEW TOOLS IN ACCORDANCE WITH THE ABOVE PROCEDURE.

- **Responsibility of the Distributor:** All warranty claims must be handled by the seller. Mayhew will not accept warranty claims from the end-user. The seller should accept or reject claims according to the definitions below.
- **Mayhew Pro™, Dominator™, and Hard-Cap™ Brands:**
- LIFETIME* from the date of purchase. If a Mayhew Pro™, Dominator™, or Hard-Cap™ hand tool ever fails to provide complete satisfaction, it will be replaced free of charge. Consumers must return product to original retailer for replacement.
- **Mayhew Select™ Brand and others not listed above:**
- TWO YEARS from the date of purchase. If a Mayhew Select™ hand tool fails to provide complete satisfaction within two years of purchase, it will be replaced free of charge. Consumers must return product to original retailer with proof of purchase for replacement.
- **Exclusions to Warranties:**
- These warranties do not cover consumable items, including but not limited to; cables and cable assemblies, brass, hollow punches, o-rings, lights, batteries, and any other parts or components which are determined by Mayhew to be consumable parts, or if a tool has been abused or misused according to instructions. A list of specific items is available upon request.

* This Warranty shall not apply to products that have been misused, abused, damaged by accident or otherwise, or modified by anyone other than Mayhew Tools.

This Warranty is the sole warranty applicable to the products and is in lieu of all other warranties, whether express, implied or statutory. THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE SPECIFICALLY EXCLUDED. Buyer's sole and exclusive remedy for breach of this Warranty is, at the option of Mayhew Tools, replacement of the defective product. IN NO EVENT WILL MAYHEW TOOLS BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING FROM BREACH OF THIS WARRANTY, EVEN IF MAYHEW TOOLS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

TERMS OF PAYMENT: 1% 15 days, net 30 from date of invoice. Invoices paid within 15 days of the invoice date qualify for a 1% cash discount. Full payment is due 30 days from date of invoice. All invoices are considered past due after the due date, and are considered in default of these terms. Mayhew Tools shall be under no obligation to make any shipment when distributor is in default hereunder or under any other sales agreement between distributor and Mayhew Tools. Distributor agrees to pay Mayhew Tools the amount which Mayhew Tools is required to pay on account of any excise, manufacturer's payroll, use or sales taxes or charges which may be established or levied by any governmental authority (domestic or foreign) upon the products sold hereunder or any part thereof.

INTELLECTUAL PROPERTY RIGHTS: (a) If the products are to be prepared or manufactured according to a user's or distributor's specifications, distributor indemnifies Mayhew Tools against any loss, damage, claim or liability for patent or trademark infringement or alleged violation of any other intellectual property rights on account of such preparation or manufacture, (b) Unless otherwise expressly set forth in writing by Mayhew Tools, non-recurring engineering charges and all charges of a similar nature which may be billed to distributor for work performed by Mayhew Tools in connection with the sale of products from Mayhew Tools to distributor (including but not limited to tooling charges, partial preparation charges, set-up or fit-up charges, and the like) represent only part of the cost thereof incurred by Mayhew Tools. Neither Distributor nor the user acquires any right, title or interest in, or license (either expressed or implied) to any drawings, designs, inventions or intellectual property or any tooling or other tangible property, by virtue of any such charges.

DISPUTE RESOLUTION: The parties shall exercise their best efforts to resolve by negotiation any and all disputes, controversies or differences arising out of or relating to these Terms and Conditions. All disputes, controversies or differences between the parties that are not settled by negotiation shall be decided in accordance with the Commercial Arbitration Rules of the American Arbitration Association and judgment will be entered on the award. The parties will select a single arbitrator in accordance with the Commercial Arbitration Rules. The arbitrator will be bound by the express Terms and Conditions herein. The site of arbitration will be Franklin County, Massachusetts, and the arbitrators will be bound by the applicable law of the Commonwealth of Massachusetts.

FORCE MAJEURE: Any delays or failures to deliver any items or shipments, if occasioned by fire, explosion, flood, earthquake, war, riots, terrorism, insurrection, civil disturbance, accident, storm, interruption or delay in transportation, shortages or strikes due to labor disputes, inability to obtain materials or supplies, acts of government, or any act of God, or any other causes of like kind which are beyond the control of Mayhew Tools shall not subject Mayhew Tools to any liability to distributor.

MISCELLANEOUS: Failure of Mayhew Tools to insist on strict performance of these Terms and Conditions, or the waiver of any breach of a Term or Condition, will not be construed as waiving any other Terms or Conditions, with the remaining Terms and Conditions in full force and effect. In the event any one or more of these Terms and Conditions should be deemed invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.