

Bill & Hold – Terms & Conditions

Maddox Industrial Transformer, LLC
865 Victor Hill Rd Greer, SC 29651
800-270-2011 maddox.com

The following **Bill & Hold – Terms & Conditions** shall supplement and be enforceable alongside the Maddox Standard Terms and Conditions which are linked at the following url: <https://www.maddox.com/resources/terms-and-conditions> (the "Standard Terms and Conditions"). These Bill & Hold – Terms & Conditions become effective when and as set forth as follows.

1. DEFINITIONS. As used in these Bill & Hold Terms and Conditions (hereinafter, "B&H Terms"), "MIT" means Maddox Industrial Transformer, LLC and its employees, agents, officers, assigns, and representatives. "Customer" means the party purchasing a product directly from MIT. MIT and Customer may be referred to herein individually as "Party" or collectively as the "Parties". "Quote" or "Quoted" refers to only the written quotation document provided by MIT to the Customer.

2. BILL & HOLD EVENT. In the event Customer does not take possession of that certain equipment ("Goods") associated with completed order ("Sales Order"), Maddox shall store Goods until the Customer is ready to take possession. Regardless of possession, full rights of ownership and title to Goods pass to Customer immediately upon completion of the Goods and shipment to storage. Maddox will exercise due care and diligence in its capacity as warehouseman and will provide insurance to cover this capacity only.

3. BINDING AGREEMENT. These B&H Terms become a binding agreement upon both of the following factors:

- A. A "Manufacturing Completion" shall have occurred, meaning each and all of the following:
 - a. the Goods described in the Sales Order, set forth above, have been fully manufactured in accordance with agreed specifications, as determined by Maddox;
 - b. the Goods have passed final quality control inspection by Maddox; and
 - c. the Goods have been segregated and identified by Maddox as exclusively belonging to Customer.
- B. Customer does not, in fact, immediately take physical possession of the Goods upon Manufacturing Completion.

4. LIABILITY AND LIMITATION OF DAMAGE. Maddox is responsible for any lost or damaged Goods up to the stated value of the Sales Order. Maddox keeps and shall keep detailed inventory records of the location of any Goods. In the unlikely event Goods are lost or misplaced, Maddox shall be allowed fourteen (14) days in which to locate Goods after a receipt of a written order. Consistent with the Terms & Conditions, CUSTOMER UNDERSTANDS AND AGREES THAT IN NO EVENT SHALL CUSTOMER OR ANY THIRD PARTY BE ENTITLED TO THE RECOVERY FROM MADDOX OF INDIRECT, EXEMPLARY, ACTUAL, CONSEQUENTIAL, INCIDENTAL, SPECIAL, LIQUIDATED, PUNITIVE, OR OTHER DAMAGES. Excepting gross negligence or willful misconduct by Maddox, the limitation of liability referred to in this section shall be the Customer's exclusive remedy against Maddox for any claim or cause of action whatsoever relating to loss, damage and /or destruction of goods.

5. STORAGE TERM AND FEES. Goods will be stored for thirty (30) days without charge, after which time a then-standard monthly fee will be billed to the Customer. This fee becomes due and payable within thirty (30) days.

6. INVOICING, PAYMENT, AND REMEDIES FOR NON-PAYMENT. Maddox shall provide written notice to Customer confirming of Manufacturing Completion ("Completion Notice"). Following issuance of the Completion Notice, Maddox shall issue an invoice for the Goods, and such invoice shall be due and payable in accordance with the Sales Order's applicable payment terms. Payment for the Goods shall not be contingent upon Customer's physical possession of the Goods.

From and after issuance of the Completion Notice, Maddox shall hold the Goods as bailee for Customer pending shipment or pickup by Customer.

If Customer fails to remit payment in accordance with the applicable payment terms, Seller may, at its sole discretion and upon written notice to Customer, suspend performance and/or deem this Agreement terminated or void with respect to the affected Goods. In such event, Seller shall have the right to remove the Goods from bill and hold status and may, without further obligation to Customer, restock, resell, or otherwise dispose of the Goods in Maddox's sole discretion. Customer shall have no further claim to such Goods, without prejudice to Maddox's right to recover any amounts due or damages permitted under the Agreement or applicable law. Maddox may charge reasonable storage, handling, administrative, or restocking costs incurred as a result of Customer's failure to remit payment according to applicable payment terms.

7. PMSI & DEFAULT REMEDIES. Consistent with the Standard Terms and Conditions, Customer grants and Maddox retains a security interest in the Goods until such time that the purchase price and any other amounts due to Maddox by Customer are paid in full. For avoidance of doubt, Customer acknowledges that this is a purchase money security interest under UCC Section 9-103.

8. STANDARD TERMS AND CONDITIONS. These B&H Terms apply only as set forth herein and are not intended to alter, modify, amend, revise or otherwise change the Standard Terms and Conditions.