Southwire Reel Return ProgramFor Electrical Distributors, EPC Partners and End Users

Definition of a Returnable Reel

A returnable reel is a reel for which a refundable deposit charge is paid to Southwire at the time of purchase, or at an arranged, deferred date. Title to returnable reels shall remain in the name of Southwire.

A returnable reel can be <u>wood</u> or <u>steel</u> with a returnable reel metal tag showing the unique serial number and Southwire barcode. All other reels without a metal tag are non-returnable.

An example of a returnable reel tag is shown in *Appendix A Figure 1*. Plywood reels are <u>NOT</u> returnable and are not charged to customer.

Following are the size restrictions on returnable wood reels (also known as Q reels).

- 1. Wood reels up to and including 36-inch diameter have no refundable charge and are not returnable.
- 2. Wood reels 40-inch diameter and larger are subject to a refundable deposit charge and are returnable for a 93% deposit refund.

Non returnable reels may returned to the nearest Southwire Recycling Centre on a freight-prepaid basis upon arrangement with Southwire, provided they are in <u>excellent, re-usable condition</u>. **No** <u>credit for these reels will be paid.</u>

General Policies on Returnable Reels

Reel Credit Policy

Reels must be returned with metal tag showing a legible serial number affixed to the reel flange. Returnable Steel reels returned without an illegible label will not be eligible for a refund. Customer is responsible for tracking serial number on returned reels. Customer is required to provide the serial number of the returned reel when deducting on account for reel return. The serial number must be documented either on the remittance details or on a separate deduction explanation. In the event a customer cannot provide a serial number, the deduction will be deemed invalid and chargeback to customer.

Condition of Returned Reels

If a returnable steel reel is sent back to Southwire that is not repairable due to extensive damage, then no reel deposit charges will be refunded to the customer. If Southwire has not yet invoiced for the non-repairable reel then it will invoiced to customer for the full value of this reel upon receipt of the non-repairable reel. All returned reels should be free of nails to ensure safety during handling and transport.

Freight on Returnable Reels

Reels must be returned "freight pre-paid" to one of the Southwire Recycling Centers listed in *Appendix B*. If shipments are returned "collect", then the freight charges will be deducted from the reel credit.

Recycling Centers

Returns must be accompanied by a packing slip and bill of lading. Questions regarding the return of reels should be directed to the nearest Southwire Sales Office. Reels can only be returned directly to a Southwire manufacturing facility with prior approval from the Southwire Canada Sales Office.

Billing Policy

The terms of the policy on returnable reels differ by the type of reel.

Cash discounts and rebates do not apply to reel charges. Reel charges will be subject to Harmonized Sales Tax (HST/QST), where applicable. Terms of payment are Net 30, or same as regular invoices.

Wood Reels

At the time of shipment, all chargeable wood reels will be billed at 100% of their refundable deposit charge value. See *Appendix C* for Wood Reel Size and Value Chart.

Customer have up to 24 months (2 years) to return after the ship date. When the reel is returned to a Southwire designated Recycling Centre, a reel credit will be issued at 93% of the original refundable deposit charge amount, provided they have no significant damage, and has a label showing a legible serial number affixed to the reel flange. Returnable reels returned without a label or with an illegible label will not be eligible for a refund. The refund will be paid to the party who paid the original refundable charge.

For example, the deposit charge for a 50" wood reel (\$420.00) will be invoiced at the date of shipment of the cable. When the reel is returned to the Southwire recycling center within 2 years from the ship date, the customer will be credited at \$390.60 equals to 93% of the original charge.

Steel Reels

At the time of shipment, Southwire will not invoice customer the value of the steel reel(s). See *Appendix D* for Steel Reel Size and Value Chart.

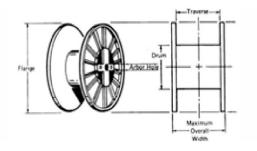
Customer have up to 12 months (1 year) to return after the ship date. When the Steel reel is returned to a Southwire designated Recycling Centre within one year, no charge will be placed on customer, provided the returned reels have no significant damage, and has a label showing a legible serial number affixed to the reel flange. Upon one year after shipment, if the reel has not been returned, Southwire will invoice for 100% the value of the Steel reel(s).

For example, the deposit charge for a 60" Steel reel (\$1,500.00) will have costs deferred for one (1) year at the date of shipment of the cable. When the reel is returned to the Southwire recycling center in the first year, customer is not charged. If the reel is not returned after one year, customer will be invoiced for \$1,500.00, full value of the reel.

Appendix A



Figure 1: Returnable Reel Tag



Appendix B

The following locations are identified as designated Southwire Recycling Centers:

| Province | Reel Recycling Center | Province | Reel Recycling Center | | |
|------------------|---|--|---|--|--|
| British Columbia | Tenold Transportation 19470 94-Ave. Surrey, BC, V4N 4E5 Tel: 604-888-7822 | Ontario | Tenold Transportation 138 Commerce Drive, Johnstown, ON K0E 1T0 Tel: 613-925-3131 Toll Free: 800-267-4325 | | |
| Alberta | Tenold Transportation 4503 17 th Street Edmonton, AB, T6P 1X5 Tel: 780 453 2761 | Quebec | Tenold Transportation 138 Commerce Drive, Johnstown, ON K0E 1T0 Tel: 613-925-3131 Toll Free: 800-267-4325 | | |
| Saskatchewan | Tenold Transportation 54 Queen Street Weyburn, SK, S4H 2L3 Tel: 306-848-1700 | Atlantic Canada (Newfoundland, Nova Scotia, New Brunswick & PEI) | Classic Truck & Trailer Attention: Dave Cassell 33 John Snook Blvd. Debert, NS, B0M 1G0 Tel: 902-662-5100 | | |
| Manitoba | Tenold Transportation 2800 McGillivray Blvd. Winnipeg, MB, R3Y 1N3 Tel: 204 694 4138 | | | | |

Appendix C

| RETURNABLE WOOD REELS: SIZE AND VALUE CHART | | | | | | | | | |
|---|--------------------|-------------------|------------------|-------------------------|---------------|-----|------|-------------------|---------------|
| South- wire Reel | Flange Diameter | Traverse Width | Drum Diameter | Max Overall Width | Arbor Hole | Wei | ght | Deposit Charge | 93% Refund |
| Number | | | Inches | | | Kgs | LBS | CDN \$ | CDN \$ |
| Q18 | 40 | 18 | 18 | 23.5 | 3.06 | 91 | 200 | \$552.50 | \$513.83 |
| Q25 | 40 | 24 | 17 | 30 | 3.06 | 95 | 209 | \$552.50 | \$513.83 |
| Q22 | 42 | 24 | 24 | 30 | 3.06 | 108 | 239 | \$552.50 | \$513.83 |
| Q33 | 48 | 24 | 24 | 30 | 3.06 | 132 | 291 | \$682.50 | \$634.73 |
| Q50 | 50 | 32 | 23 | 38 | 3.06 | 142 | 314 | \$682.50 | \$634.73 |
| Q52 | 50 | 32 | 21 | 38 | 3.125 | 151 | 333 | \$682.50 | \$634.73 |
| Q56 | 54 | 32 | 26 | 38 | 3.06 | 175 | 386 | \$796.25 | \$740.51 |
| Q65 | 58 | 32 | 28 | 38 | 3.06 | 197 | 434 | \$910.00 | \$846.30 |
| Q64.5 | 60 | 32 | 32 | 38 | 3.06 | 215 | 474 | \$910.00 | \$846.30 |
| Q87 | 66 | 36 | 36 | 42 | 3.06 | 263 | 579 | \$1381.25 | \$1284.56 |
| Q115 | 68 | 38 | 28 | 44 | 3.06 | 264 | 583 | \$1381.25 | \$1284.56 |
| Q81 | 72 | 36 | 48 | 43 | 4 | 397 | 876 | \$2258.75 | \$2100.64 |
| Q107 | 78 | 36 | 48 | 43 | 4 | 437 | 963 | \$2258.75 | \$2100.64 |
| Q157 | 84 | 42 | 48 | 49 | 4 | 506 | 1116 | \$3445.00 | \$3203.85 |
| Q179 | 90 | 46 | 56 | 55 | 5 | 786 | 1732 | \$4550.00 | \$4231.50 |
| Q229 | 90 | 52 | 50 | 63 | 5 | 944 | 2082 | \$4550.00 | \$4231.50 |
| Q294 | 90 | 59 | 42 | 70 | 5 | 725 | 1599 | \$4550.00 | \$4231.50 |
| Q220 | 96 | 46 | 56 | 55 | 5.25 | 865 | 1906 | \$4550.00 | \$4231.50 |

Appendix D

| RETURNABLE STEEL REELS: SIZE AND VALUE CHART | | | | | | | | |
|--|--------------------|-------------------|------------------|-------------------------|---------------|--------|------|------------|
| South- wire Reel Number | Flange Diameter | Traverse Width | Drum Diameter | Max Overall Width | Arbor Hole | Weight | | Reel Value |
| | Inches | | | | | Kgs | LBS | CDN \$ |
| S62 | 60 | 28 | 28 | 34.5 | 3 | 154 | 340 | \$2250.00 |
| S77 | 66 | 32 | 36 | 38 | 3 | 181 | 400 | \$2625.00 |
| S99 | 68 | 38 | 36 | 44.75 | 3.125 | 201 | 444 | \$3000.00 |
| S120 | 84 | 36 | 42 | 43 | 5.25 | 406 | 895 | \$5250.00 |
| S153 | 84 | 45 | 42 | 52.5 | 5.25 | 422 | 930 | \$5250.00 |
| S187 | 90 | 45 | 42 | 52.5 | 5.25 | 467 | 1030 | \$5850.00 |
| S224 | 90 | 45 | 42 | 52.5 | 5.25 | 446 | 984 | \$5850.00 |
| S249 | 90 | 60 | 42 | 68 | 5.25 | 534 | 1176 | \$6150.00 |
| S282 | 90 | 60 | 46 | 68 | 5.25 | 575 | 1268 | \$6150.00 |
| S299 | 90 | 60 | 42 | 68 | 5.25 | 461 | 1016 | \$6150.00 |
| S300 | 96 | 60 | 42 | 68 | 5.25 | 491 | 1082 | \$6600.00 |
| S300A | 96 | 60 | 42 | 68 | 5.313 | 713 | 1573 | \$6600.00 |
| S435 | 108 | 68 | 47 | 77.37 | 5.25 | 580 | 1278 | \$6600.00 |
| S422 | 108 | 74 | 56 | 85 | 5.25 | 799 | 1762 | \$9000.00 |
| S400 | 110 | 70 | 60 | 78 | 5.25 | 803 | 1770 | \$9000.00 |
| S431 | 118 | 85 | 78 | 94.5 | 7.625 | 1668 | 3677 | \$14400.00 |
| S600 | 118 | 85 | 60 | 94.5 | 7.625 | 1281 | 2825 | \$14400.00 |
| S622 | 126 | 86 | 72 | 95 | 7.625 | 1585 | 3494 | \$15750.00 |
| S650 | 138 | 85 | 88 | 94.5 | 7.625 | 1848 | 4075 | \$15750.00 |
| S740 | 138 | 85 | 80 | 94.5 | 7.625 | 1657 | 3654 | \$15750.00 |
| S869 | 158 | 86 | 110 | 95.5 | 7.625 | 1589 | 3504 | \$21750.00 |
| S906 | 158 | 88 | 100 | 94.6 | 5.25 | 3150 | 6945 | \$21750.00 |
| S1013 | 158 | 86 | 90 | 95.5 | 7.625 | 2085 | 4598 | \$21750.00 |
| S1100 | 158 | 83 | 80 | 94.5 | 7.625 | 1788 | 3941 | \$21750.00 |