



Globe Plastics, Inc., Sales/Quotation Terms & Conditions

GLOBE PLASTICS, INC. is hereinafter referred to as the "Seller". The party identified on the face of and receiving this quotation and/or placing a Purchase Order ("Order") is hereinafter referred to as the "Buyer". Hereinafter, Buyer and Seller may be collectively referred to as the "Parties" or individually referred to as a "Party".

- Quote is Valid:** This quotation may be changed or revoked by Seller at any time, and automatically expires sixty (60) days after the date issued, unless otherwise stated by Seller in writing. Acceptance of this offer is expressly limited to the exact terms and conditions contained herein, and no contrary, additional or different provisions, terms or conditions (whether contained in a purchase order or otherwise) shall be binding on the Seller unless accepted by the Seller in writing. If this quotation is accepted and Buyer issues one or more purchase orders for such purpose, such issuance shall be deemed Buyer's assent to the foregoing and shall constitute Buyer's unqualified acceptance of the terms and conditions herein contained with respect to each such purchase order and all amendments and modifications issued by Buyer. In the event of any inconsistency between the quotation terms and terms of any purchase order or other communication between Buyer and Seller, the terms set forth herein shall prevail. Acceptance of this quotation by Buyer may be by any reasonable and customary communication.
- Payment Terms:** Buyer agrees to pay Seller 2% per month interest on all invoices unpaid 30 days after the agreed upon term. If Buyer defaults in payment, Buyer shall pay Seller the cost of collection including reasonable attorney fees in addition to damages. Seller has the right to withhold delivery on this and any other product due to Buyer if invoices are unpaid 30 days after the stipulated term.
- Effect of Buyer Modifications on this Quotation:** The price and delivery terms in this quotation are subject to change if buyer wishes to change any terms of this quotation.
- Acceptance of Order by Seller:** Acceptance of any order issued to Seller by Buyer shall not be assumed. If Seller receives a purchase order we may indicate receipt of the document but this does not indicate our acceptance of the order. Acceptance of orders must be made in writing and must include the word "accept".
- Price of Materials:** This quotation is based on the present cost of materials at the time the quote was submitted. Buyer is responsible to pay for any increase in cost of materials purchased by Seller.
- Delivery Terms:** Shipping dates are approximate only, and Seller shall not be liable for any loss, cost or expense incurred by Buyer if Seller fails to meet the estimated delivery schedule due to production or other delays.
- Title and Shipment:** All domestic (U.S.) shipments shall be delivered either (a) F.O.B. Seller's premises, freight collect, or (b) F.O.B. Seller's premises, freight prepaid, and in either event title and liability for loss, damage or delay shall pass to Buyer upon Seller's delivery of the goods to a carrier for shipment to Buyer. Any loss, damage or delay thereafter shall not relieve Buyer of any obligation hereunder. For international orders, shipping terms are FCA Seller's premises. Delivery of an order may require prior approval of an export license by the United States Government, and Seller's obligation to fulfill an order is expressly made subject thereto. Buyer agrees, however, that Seller retains a purchase money security interest in all Products sold by Seller to Buyer until all amounts due to Seller have been paid in full. Buyer agrees to execute any financing statements or other documents Seller may request in order to protect Seller's security interest.
- Warranties:** Products manufactured and sold by Seller are warranted to be free from defects in materials and workmanship under normal operation for a period of (12) Twelve Months from the date of shipment unless otherwise specified in Seller's quotation. Seller's sole and exclusive liability shall be, at its option, to repair, replace or credit Buyer's account for any such defective product which is returned to Seller during the applicable warranty period set forth above, provided that (i) Seller is promptly notified in writing upon discovery by Buyer that such product is defective with a detailed explanation of all alleged deficiencies, and (ii) such product is returned to Seller, F.O.B. Seller's premises in Chino, California, or as otherwise specified by Seller. Seller shall have no obligation or liability to repair, replace or credit Buyer's account for any returned product determined by Seller not to be defective or to have been damaged by accident, negligence, alteration, misuse, abuse or unauthorized repair. Seller shall be responsible for the costs of shipping any warranted or replacement product back to Buyer or the end-user upon completion of a repair

or replacement of a product covered by Seller's warranty. All repairs are warranted to be free from defects in materials and workmanship for a period of ninety (90) days from the date of shipment. THE WARRANTIES AND REMEDIES AND THE LIABILITIES OF SELLER STATED HEREIN ARE SOLE AND EXCLUSIVE. NO EXPRESS WARRANTIES AND NO IMPLIED WARRANTIES WHETHER OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, OTHER THAN THOSE EXPRESSLY SET FORTH ABOVE WHICH ARE MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, SHALL APPLY TO PRODUCTS MANUFACTURED OR SOLD BY SELLER, AND SELLER HEREBY DISCLAIMS ALL SUCH WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS SECTION 8. NO WARRANTIES OR REPRESENTATIONS AT ANY TIME MADE BY ANY REPRESENTATIVE OF SELLER SHALL BE EFFECTIVE TO VARY OR EXPAND THE ABOVE-REFERENCED EXPRESS WARRANTY OR ANY TERMS HEREOF.

9. **Raw materials Availability:** This contract is contingent upon the availability of raw materials required for the manufacture of the goods. Seller shall not be deemed in breach of this agreement for delay in manufacture or delivery where such raw materials are unavailable. In such cases, Seller may, at its option, cancel this agreement or deliver to you its pro-rata share of production.
10. **Force Majeure:** Seller will not be liable for any delay or failure in performance resulting from labor disputes, war, riot, insurrection, fire, flood, accident, storm, act of God, or other causes beyond its control, or from Seller's good-faith compliance with any foreign or domestic governmental law, rule, order or regulation whether or not it later is held invalid.
11. **Special Tooling:** Unless otherwise specifically provided in Seller's quotation, special tooling developed by Seller to complete this contract shall be the property of Seller. Special tooling supplied by Buyer or special tooling developed by Seller subject to property ownership of buyer shall be maintained by Seller with reasonable care at Buyer's risk or loss of damage arising from force majeure events and Buyer is encouraged to provide its own insurance against such loss or damage. In the event Buyer does not claim such special tooling within two years after completion of Seller's deliveries under this contract, then Seller shall have the right, following 30 days' written notice to Buyer, to dispose of such special tooling without liability.
12. **Buyer's Request for Changes:** Following acceptance of this quotation, any technical, quantity, delivery or other changes requested by Buyer shall be in writing and shall be construed as a request to renegotiate the contract without prejudice to the rights of Seller under the contract.
13. **Engineering Charges:** Buyer agrees to accept responsibility for any loss of production time when a machine is on hold waiting for a response from the Buyer, if the issue involves a Buyer engineering problem (such as a drawing or specification error, a document that is unclear or a drawing change). The cost of the downtime will be negotiated with the buyer but typically the charges would be the number of hours the machine is down multiplied by our current shop rate. If the response from the Buyer will take more than one day we reserve the right to place another job into the machine and the parts placed on hold will need to be rescheduled out. When this situation occurs the Buyer will be asked to pay for the removal of the set-up and subsequent re-set up of the job. Set-up charges typically would be the number of hours to do the set-up multiplied by our current shop rate.
14. **Cancellation by Buyer:** In the event Buyer cancels the contract following acceptance of this quotation, Buyer agrees to pay Seller the greater of: (a) 20% of the contract amount, or (b) Seller's expenditures for raw material, tooling, labor incurred, handling and overhead, and for all work completed to date and in progress but not yet delivered to Buyer, plus a cancellation charge of 5% of the above amount. This is without prejudice to such other and additional rights as are available to Seller under the law. If the parts are complete at the time of cancellation then the buyer is responsible to pay Seller for these parts at the full agreed upon contract price.
15. **Incidental Charges:** Any special packaging requirements, source inspection by Buyer on the premises of Seller, or other requirements not expressly provided in Buyer's Request for Quotation (RFQ) or Contract shall be subject to additional charges by Seller.
16. **Short Count:** Buyer shall be deemed to have accepted the numerical count of goods shipped unless Buyer notifies Seller in writing of any claim for short count within 48 hours after delivery to Buyer.

17. **Damaged Goods:** Buyer shall report to Seller damage found from shipping within one (1) business day of receipt of product.
18. **Nonconforming Goods:** It shall be assumed that product delivered to Buyer conforms to the contract and acceptance of such product is assumed unless Buyer notifies Seller in writing of any claim of nonconformance within ten (10) business days after delivery to Buyer. Buyer will then await instructions from Seller and unless otherwise agreed to in writing by Seller, Buyer assumes the full risk and expense of returning goods to Seller, including but not limited to damage arising from Buyer's improper packaging. Seller agrees to repair or replace nonconforming goods.
19. **Customer-Supplied Raw or Semi-Finished Materials:** In the event the contract requires Seller to perform work on raw or semi-finished materials supplied by Buyer (such as castings and forgings) but not purchased by Seller from Buyer, Buyer shall supply an adequate excess to allow for machining losses. All customer furnished materials are considered the property of the Buyer at all times. If Seller scraps any such materials; it shall not be liable to Buyer for such scrapped materials. Buyer warrants that any raw or semi-finished materials shall be suitable for the operations intended to be performed by Seller, free of defects in workmanship and material. If found defective during processing, Buyer shall promptly deliver suitable replacements at no charge to Seller. Buyer shall pay Seller for all work performed to the time when the defect was discovered.
20. **Other Indemnification:** Buyer agrees to defend at its own expense, indemnify and hold harmless Seller from all claims of patent infringement or trade secret misappropriation arising from its performance under this contract, including damages, costs and attorney's fees.
21. **Taxes:** Prices quoted are subject to added charges levied by any government taxing authority, all of which shall be paid by Buyer.
22. **Expedite Policy:** When the contract stipulates that product is to be expedited, Seller will make our best effort to meet the accelerated delivery date requested by the customer. It is important to note that expedite fees help Seller to pay for overtime and other activities required to speed up the process to produce the product quicker than normal lead time. This includes paying our vendors to expedite the parts. Therefore, expedite fees will be charged by Seller and paid by Buyer regardless of the actual date the product ships to customer, unless an exception to this policy is agreed upon in writing and approved by the Seller's management.
23. **Return Authorization:** If Buyer determines that product supplied by the Seller should be returned due to a defect, Buyer must obtain a Return Materials Authorization ("RMA") number from the Seller prior to returning the items. All returns shall state the specific reason for such return. Seller may elect not to accept any returns that do not reference an RMA number. Buyer shall be financially liable for all labor associated with our verification time that ultimately determines that the return/rejection is invalid. Buyer may only return product that is defective or was not ordered on the latest "accepted" Purchase Order.
24. **Orders Placed on Hold Status:** Any order received by Seller shall be placed on hold if there are any differences between our quoted price, delivery, quantity, instructions, or any other factor that was not agreed to in writing on our quotation. When an order is placed on hold the Buyer shall be notified by Seller via phone, e-mail or fax. It is important that the Buyer understand that when an order is placed on hold Seller will not perform any work until the discrepancy is resolved and the hold status is removed. Therefore Seller is not responsible for missed deliveries if an order is placed on hold and the buyer does not resolve the issue within a reasonable amount of time.
25. **ITAR/DDTC Regulation:** Transfer of materials sold hereunder (and technical data related thereto) may be subject to the appropriate authorization of the Directorate of Defense Trade Controls (DDTC), in accordance with 22 U.S.C. 2778-2780 of the Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (ITAR) (22 CFR Parts 120-130). Seller's obligations hereunder are subject to obtaining any necessary authorizations under such regulations and compliance with such regulations. Buyer's obligations hereunder are to notify Seller of any materials requested that are governed by these regulations. Buyer warrants that it is not on any Denied Parties List and that it will immediately notify Seller if it is placed on any Denied Parties List. Buyer will fully and truthfully complete any certifications reasonably requested by Seller as to the end use and ultimate geographical destination of any materials sold hereunder.

- 26. **Acceptance of these Terms:** Buyer understands that by issuing a Purchase Order to the Seller, based on a quotation which specifically referenced our quotation terms and conditions, that all of the terms and conditions listed above have been accepted by the Buyer.
- 27. **Damages, Exclusive Remedies: Without limiting the effect of Section 8 hereof or the second sentence of this Section 27, Seller's maximum liability, if any, for damages shall not exceed the purchase price paid by Buyer for the product.** NEITHER PARTY SHALL BE LIABLE TO THE OTHER HEREUNDER OR UNDER ANY AGREEMENT OR CONTRACT ARISING HEREFROM OR IN CONNECTION HEREWITH FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR LOST PROFITS, RESULTING FROM OR IN ANY MANNER RELATED TO THE PRODUCTS SOLD BY SELLER, THEIR DELIVERY, NON-DELIVERY, MANUFACTURE, DESIGN, INSTALLATION, SERVICE, USE, OR ANY INABILITY TO USE THE SAME, WHETHER SUCH DAMAGES BE CLAIMED UNDER CONTRACT, TORT OR ANY OTHER LEGAL THEORY, REGARDLESS OF WHETHER SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- 28. **Construction, Modification:** This quotation, upon acceptance, becomes the entire understanding of the parties with respect to this subject matter and supersedes all representations or understandings relating thereto. It may not thereafter be modified orally, but only in writing, signed by the party to be charged; and, it shall be construed in accordance with the laws of the State of California. The failure of either party to insist or enforce in any instance strict performance of any of the terms of the agreement arising here from or in connection herewith or to exercise any rights hereunder conferred, shall not be construed as a waiver or relinquishment to any extent of its right to assert or rely upon such terms or rights on any future occasion. Any provision contained herein that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

Acknowledged and agreed to on behalf of Buyer:

Signature: _____
Date: _____
Name: _____
Title: _____
Company: _____
RFQ/PO #: _____