

Para-Coat Technologies

Terms and Conditions of Sale

1. Definitions:

“Products” means the parts, goods, services, testing, tooling and fixtures covered by a written or verbal Purchase Order issued by the customer named in that Purchase Order (the “Buyer”) to Para-Coat Technologies (“PCT”).

2. Terms and Conditions:

Unless otherwise agreed to in writing prior to order placement, PCT’s terms and conditions detailed herein, together with any other specified terms on PCT’s Quotation and/or Sales Order Acknowledgement, apply to all transactions and shall be the sole governing terms and conditions of the purchase order.

3. Pricing:

Pricing is valid for 90 days from the date of quotation and is exclusive of all present or future sales, revenue or excise tax, value added tax, turnover tax or any other tax or duty applicable to the manufacture or sale of any product. Such taxes, when applicable, shall be paid by the Buyer unless the Buyer provides a valid tax exemption certificate. All freight charges F.O.B. in and collect out unless otherwise agreed. Prices are subject to change anytime for any reason and will become effective after a written notice to the Buyer.

4. Payment:

Payment is due 30 days from the date of invoice unless otherwise agreed in writing. On accounts past due, the Buyer will pay interest at a rate the lesser of 1.5% per month or the maximum allowed by law on the total account.

5. Delivery & Title:

Delivery of 10% more or 5% less than the quantity specified shall constitute fulfillment of the order. Any excess not exceeding 10% shall be taken and paid for by the buyer. All delivery dates are approximate dates. PCT is not bound, obligated or in anyway liable for meeting estimated dates. Delivery of product either early or late are to accepted by the customer. PCT reserves the right to make partial or installment deliveries. PCT will be held harmless for any monetary penalties or payments based on failure to meet promised or approximated delivery dates. Title passes when the product is tendered to the carrier at PCT’s facility. The Buyer shall be responsible for any change in shipping documentation and/or specifications.

6. Customer Supplied Parts: Packaging:

PCT reserves the right to modify the Purchase Order based on the quantity of parts supplied. Unless otherwise agreed, all customer supplied parts shall be packaged in their original containers/boxes in a manor suitable for re-shipment to end destination. If customer does not, in PCT’s opinion, supply suitable packaging the customer agrees to pay for additional packaging materials. While PCT will do it’s best to properly package parts, PCT is not liable for damage which may occur in shipping to the customer.

All containers/boxes shall be labeled with the part number, quantity and Purchase Order.

7. Warranty:

PCT’s liability is limited to the cost of the value added by PCT to the part. PCT’s value added service shall be free from defects in material and workmanship for a period of 30 days from date of shipment. This warranty is limited to the direct Buyer only and is not extended to any third

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party. PCT is not liable for the cost of the customer supplied parts or any associated freight cost. Any other warranties express and/or implied are null and void. The Buyer is solely responsible for product design and performance.

8. Claims and Actions:

PCT is not liable for incorrect counts or shortages in shipping to a customer or receiving from a customer of customer supplied parts or product. PCT is not responsible for customer supplied product that may be lost, damaged or destroyed regardless of the reason for said loss, damage or destruction.

The Buyer shall not return any non-conforming goods without notification to PCT and receipt a RMA number from PCT. PCT will reject any unauthorized returns and the Buyer will be responsible for all associated costs and expenses, including freight costs, and will bear the risk of loss or damage to such products. PCT, at its sole discretion, may accept or reject the claim after inspection of returned products at its facility. PCT's policy is credit and replace after acceptance of a claim.

9. Limitation of Liability:

PCT, at its option, shall repair and/or rework defective parts or refund the value added cost of the purchase price. In no event shall PCT be liable for any special, indirect/direct, incidental or damage arising out of the sale. In no event shall PCT's liability under any claim exceed the value added of the work performed on the parts by PCT. PCT is not responsible for, and does not insure, customer supplied parts, tools, fixtures, test equipment or any other objects or tools supplied by the customer and held at PCT's location from fire, theft, water damage or any other hazards. It is the customer's responsibility to insure their property while located in PCT plant.

10. Loss to Buyer's Property:

Any designs, tools, materials, drawings and equipment furnished by the Buyer for making product may be considered obsolete and may be destroyed by Para-Coat Technologies after 12 months of non-use. PCT is not responsible for damage or loss of property, for any reason, while in PCT's possession.

11. Special Charges: NRSU/Tooling Charges:

All special tooling, equipment, fixtures and molds acquired by PCT for the manufacture of the Buyer's product shall remain PCT's property unless otherwise agreed. Routine maintenance, upkeep and upgrades will be at PCT's expense.

Major refurbishment and changes may be charged to the Buyer based on the life expectancy of the tooling and the quantity of parts produced. Any tooling, equipment and or item that the buyer ends up taking ownership of will be subject to an Engineering charge up to 100% of the NRSU/Tooling charge.

12. Buyer's Obligation: Rights to Seller:

Buyer shall follow terms and conditions in order to settle monies owed. PCT shall retain a security interest in products supplied until payment is received under the Uniform Commercial

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Code. PCT shall have security interest in, and lien upon, any property of the Buyer's in its possession in order to secure payments of monies owed.

13. Cancellation and Changes:

Purchase Orders shall not be cancelled and/or changed unless authorized by PCT. Additional charges may be applied based on cancellation and/or change to the original Purchase Order.

14. Force Majeure:

In the event of contingencies beyond the reasonable control of PCT, the obligation of PCT shall be suspended, and quantities so affected may be eliminated from the contract without liability. If PCT invokes Force Majeure, PCT shall give prompt notice of, and utilize best efforts to terminate or remove, the Force Majeure conditions.

15. Entire Agreement:

This agreement contains the entire agreement between PCT and the Buyer and constitutes final, complete and exclusive expression of the terms of the agreement.

16. Waiver and Severability:

Failure to enforce any provision of this agreement will not waive that provision nor will any such failure prejudice PCT's right to enforce that provision in the future.

17. Termination:

PCT reserves the right to cancel this agreement for any reason at any time.

18. Governing Law:

This agreement and the sale and delivery of products shall be deemed to have taken place in and shall be governed and construed in accordance with the laws in the Commonwealth of Pennsylvania. Disputes between the parties shall not be settled by arbitration unless both parties agree in writing.