



A Soin International Company

## Terms and Conditions

**1. Parties:** Composite Technologies Co., LLC, aka CTCPlastics, an Ohio limited liability company, referred to as "Company". Person or company purchasing referred to as "Buyer". All materials, products, goods, or work described regardless of type, will be collectively referred to as "Products".

**2. Documents Incorporated:** These Terms and Conditions hereby incorporate any and all purchase orders, quotations and confirmations and/or acceptances of any purchase order submitted and exchanged by and between Company and Buyer.

**3. Credit Approval:** All of Company's credit requirements must be met and current in order to receive credit terms. Company may, at any time, alter or suspend credit, refuse shipment, or cancel unfilled orders, when, in its opinion, the financial condition of the Buyer, or the status of the account, warrants any such action, or when delivery is delayed by fault of Buyer, or when Buyer is delinquent in any payments. If all payments of any type or nature (collectively the "Price") are not paid in full when due, Company may charge interest at the rate of the lesser of Eighteen Percent (18%) per annum or the maximum allowable interest rate under Ohio law on the unpaid Price and require immediate payment of the outstanding Price whether or not they were or are due for payment. If these terms requirements are not met, advance payment may be required before acceptance of any purchase order from Buyer.

**4. Price Adjustments; Payments:** The prices stated herein do not include any sales, use, or other taxes unless so stated specifically. Such taxes will be added to invoice prices in those instances in which Company is required to collect them from Buyer; provided, however, that if Company does not collect any such taxes and is later asked by or required to pay the same to any taxing authority, Buyer will make such payment to Company or, if requested by Company, directly to the taxing authority. At Company's option, prices may be adjusted to reflect any increase in the costs of materials, products, goods or work resulting from state, federal or local legislation, or any change in the rate, charge, or classification of any carrier.

Unless otherwise specified by Company, all prices are F.O.B. Company's facility from which shipment is made, and payment will be net/cash thirty (30) days from date of invoice. Invoices are generated on, and shall bear the date of, the first date upon which the Products are available for shipment by Company to Buyer. Invoices unpaid and past due will be subject to a service charge on the unpaid balance at an interest rate equal to the lesser of Eighteen Percent (18%) per annum or the maximum allowable interest rate under Ohio law, and Buyer shall be responsible and liable for all expenses incurred by Company in collection of outstanding amounts due, including reasonable attorneys' fees and expenses incurred by Company in collection. In the event Buyer does not accept delivery of the Products by the date specified in the purchase order or quote, Company may, without affecting any of its other rights or remedies available under these terms or by law, also charge Buyer a reasonable fee for storing the Products until such time as Buyer takes possession.

**5. Scheduling:** All scheduling changes are contingent on the prior written acceptance by Company. Additional charges resulting from scheduling changes shall be the sole responsibility of the Buyer.

**6. Delivery Dates, Title/ Risk and Shipment:** All delivery dates are approximate, and Company shall not be responsible for any damages of any kind resulting from any delay. Regardless of the manner of shipment, title to any Products and risk of loss or damage thereto shall pass to Buyer upon tender to the carrier at the factory or warehouse of Company, except in those instances in which delivery is made by Company's vehicles. Unless otherwise stated herein, Buyer may exercise its judgment in choosing the carrier and means of delivery. No deferment of shipment at Buyer's request beyond the respective dates indicated will be made except on terms that will indemnify Company against all loss and additional expense, including, but not limited to demurrage, handling, storage and insurance charges.

**7. Warranty:** Company warrants its Products to be free from defects in material for ninety (90) calendar days and workmanship, for a period of twelve (12) months from the date of delivery to Buyer, under normal and proper use in accordance with instructions of Company. Company's liability under such warranty or in connection with any other claim relating to the Products shall be limited, or at Company's option, the repair or the replacement or refund of the Price, of any Products or parts or components thereof which are returned to Company freight prepaid and which are defective in material or workmanship. Products or parts or components thereof which are repaired or replaced by Company will be returned to Buyer freight collect. Warranty excludes Buyer damage due to mishandling, unauthorized use and/or repairs, shipping damage and parts/components specified by Buyer that have a shorter warranty period than Company's warranty.

This warranty is not intended to cover consumer products, as defined in the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act, 15 U.S.C. §§ 2301-12, which are purchased by Buyer for purposes other than resale. If Buyer is not intended to resell the Products, and if the Products are consumer products as defined in the Magnuson-Moss Act, the foregoing warranty, but not the limitation of Company's liability, shall be null and void. Buyer's account must be in current status as to all requirements, including but not limited to all amounts owed Company, for this warranty to be applicable.

**EXCEPT AS EXPRESSLY STATED ABOVE, COMPANY MAKES NO WARRANTY, EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE OR OTHERWISE, ON THE PRODUCTS, OR ON ANY PARTS OR LABOR FURNISHED DURING THE SALE, DELIVERY OR SERVICING OF THE PRODUCTS.**

**8. Security Interest:** Company shall have a security interest upon all Products, and all molds, dies, tools or parts of Buyer in Company's possession, to secure any unpaid balances due Company from Buyer for any Products shipped or in process. It is understood that such security interest shall continue until all the provisions of any business between the parties is completed and the Price paid in full.

**9. Molds and Dies:**

- (a) Buyer shall pay the cost for all charges in molds, dies and fixtures (the "Tooling") made necessary by changes in specifications first accepted in writing by Company, and Buyer shall assume all risk of resultant damage. In consideration of the engineering service necessary in the designing of the Tooling, such Tooling, not coupled with a substantial order for parts, shall remain in our possession for at least one (1) year from the date they are paid in full by Buyer. Thereafter, the Buyer desiring delivery of such Tooling shall pay an additional engineering charge of twenty-five percent (25%) of the original price of such Tooling. After one (1) full year's production, Buyer may take possession of the Tooling with NO engineering charge involved, provided there are no outstanding balances due for Product produced using such Tooling. In the event Buyer does not take delivery of Tooling within the first one (1) year of production, then the Buyer agrees to accept, and is deemed to

have accepted, the Tooling "as is." Company shall maintain (in good condition) at Company's expense all permanent Tooling for a period of not exceeding one (1) year after completion of the most recent production order, reasonable wear and tear excepted. Tooling for which no production order has been received for three (3) years, shall be considered obsolete and Company shall be under no responsibility for its continued existence or availability after such period of inaction, whether or not written notification of the expiration date has been furnished to Buyer. The maintenance of temporary Tooling will be the sole responsibility of the Buyer. Company does not insure Buyer's Tooling in our possession, nor does it carry insurance on raw materials supplied to Company by Buyer or customers.

- (b) Company recommends that ALL Tooling design, development and purchasing be managed by Company's engineering department. In the event the Buyer chooses to design, develop and purchase the Tooling directly, then all responsibility for the Tooling's performance will be that of the Buyer. Company will assume no responsibility for the delivery timing or performance of the Tooling. If the Tooling does NOT perform in manufacturing to Company's quoted hourly rates or requires excessive mold set-up or results in lost machine hours, these costs will be charged directly to the Buyer. If the Tooling does not produce parts to the expected hourly rates or quality Company reserves the right to increase and Buyer accepts the same, per piece prices accordingly.

**10. Ownership of Tooling.** Ownership of the Tooling does not pass to Buyer until such time as Company has received full payment of all sums due Company from the Buyer. Until ownership of the Products passes to Buyer, Company will hold the Products on the Buyer's behalf and will keep the Products separate from its Products and those of third parties. Buyer shall not pledge or encumber the Products by way of security interests or otherwise. Breach of any of the provisions of this Paragraph 10 will result in all monies owing by the Buyer to the Company (without prejudice to any other right or remedy) becoming immediately due and payable. Buyer is entitled to resell or use the Products in the ordinary course of its business, so long as the proceeds for any sale are used to pay the Price and applied to outstanding invoices if the sale price exceeds the Price. Company may before ownership in the Products passes to Buyer require Buyer to deliver up the Products to it and, if the Buyer fails to do so, may repossess the Products. The Buyer hereby grants to Company an irrevocable license to enter, with or without vehicles, any premises for the purpose of inspecting or repossessing the Products.

**11. Excess Materials:** Any unique excess inventory caused due to the following will be the responsibility of the Buyer:

- 1) Minimum purchase quantities beyond the actual order,
- 2) Non-returnable/non-cancelable materials, or
- 3) Design changes.

In addition, any materials purchased for an order that is delayed at the request of the Buyer will be billed to the Buyer after six (6) months if the order has still not been filled.

**12. Cancellations:** After acceptance by Company, orders shall not be subject to cancellation by Buyer, except with Company's prior written consent and upon terms that will indemnify Company against all direct, incidental, and consequential losses or damages. In the event of an approved cancellation, cancellation charges may apply. All cancellation charges shall be the responsibility of the Buyer. Cancellation charges will be calculated based on the status of product in process (value will be determined on raw materials costs associated with work order in process and labor charged to the job), raw materials in stock or on order/purchased that cannot be returned due to minimum buy requirements, Non Cancelable Non Refundable, engineering changes and do not include additional services, product or raw materials relating to the order. Cancellation charges may exceed the value of the order in the event excess materials apply. Company's approval and consent to a Buyer's cancellation of an accepted order shall be at Company's sole discretion.

**13. Claims; Commencement of Actions:** Buyer shall promptly inspect all Products upon delivery. No claims for shortages will be allowed unless such shortages are reported in writing to Company within 10 calendar days after delivery. No other claims against Company will be allowed unless asserted in writing within sixty (60) calendar days after delivery or, in the case of an alleged breach of warranty, be given by written notice within sixty (60) calendar days after the date within the warranty period on which the defect is or should have been discovered by Buyer.

Notwithstanding any other provision of these Terms and Conditions, Company may bring a court action for collection of amounts due and owing by a customer, solely in the Montgomery County Court of Common Pleas, Dayton, Ohio, which the parties agree shall be the sole court of exclusive and proper jurisdiction and venue. Buyer shall reimburse Company all of its costs and expenses in collection of any and all amounts due herein, including but not limited to attorney fees and related costs and expenses. Ohio law shall govern any court action filed by Company for collection of amounts due and owing by Buyer.

**14. Dispute Resolution-Compulsory Arbitration:** Except for the right of Company to bring a court lawsuit to collect amounts due and owing by Buyer, any dispute arising under this agreement shall be decided by dispute resolution as follows:

- a. The parties will attempt in good faith to resolve any controversy or dispute arising out of or relating to their transaction, promptly by negotiation between authorized persons for each party who have authority to settle the controversy; and
- b. In the event that informal negotiations do not resolve an ongoing controversy or dispute, the parties agree to resolve the same by compulsory arbitration to take place in Dayton, Ohio and which will proceed in accordance with the Commercial Arbitration Rules of the American Arbitration Association and in accordance with the laws of the State of Ohio without regard to the provisions thereof concerning conflicts of law. Within seven (7) days or longer if the parties mutually agree after either party elects arbitration, Company and Buyer shall each select one (1) arbitrator with a third arbitrator selected by the two (2) arbitrators chosen by the parties. The party electing arbitration shall bear the costs of the same including all arbitrators' fees. Further, the non-prevailing party in arbitration shall reimburse the other for their attorneys' fees and related costs and expenses incurred in arbitration.

Any arbitration brought herein must be commenced within one (1) year from the date of the tender of delivery of the Product to Buyer by Company.

**15. Last Time Buys:** Buyer shall be notified of all last time buys or discontinuation of parts or products. Company shall not manufacture additional production after the date of expiration. The Buyer shall have the option to buy additional inventory for consignment of additional order requirements upon prior written notice to Buyer.

**16. Parts Allocation:** Buyer shall reimburse Company for all payments, costs and expenses it incurs for procuring materials outside the Buyer's initial proposal terms and/or qualified material providers.

**17. Engineering Change Notification:** Notification of proposed Buyer engineering change(s) shall be only submitted in writing, and are subject to Company's prior written approval. Buyer is responsible for all costs associated with engineering changes including the cost of notification. Permanent changes resulting in additional material and or labor costs shall require an additional written quote.

**18. Deviations:** Any deviation from Buyer's quotation will have to be negotiated and accepted in writing by Company. Company will manufacture Product according to the Gerber and documentation provided by the Buyer and will not be responsible for the accuracy of the Gerber or flaws related to the product design, excluding Company owned and/or created design.

**19. Quote Validity:** Quotations furnished by Company are not intended as and shall not be construed as constituting an offer to Buyer. Any quotation or confirmation of Company is subject to, and shall not become binding upon Company until (i) actual receipt by Company of Buyer's written order based on all the terms and conditions stated herein, without qualification, received by Company within sixty (60) days after the date of quotation (unless otherwise noted in quote or confirmation), and (ii) Company's written acceptance of such order at its main office in Dayton, Ohio. A quotation is subject to change if the actual information or documentation is significantly different from the information supplied at the time of request for quotation. Quotations are also subject to change based on materials pricing. Pricing at the time of quotation may differ from actual pricing upon order placement.

Documentation requirements include, but are not limited to: Bill of Materials with approved manufacturers and part numbers, reference designators, PCB Gerber data, drill data, schematics and assembly drawings, including drawings for fabricated items, data for panel layout if more than one board, test requirements and packaging requirements.

**20. Lead Times:** Delivery dates and lead times indicated in the proposal are best estimates based on previous experience, process flow at time of quotation, and component manufacturer lead times for raw materials from quoted sources. Actual material availability, and/or delay of Buyer's furnished materials may impact original estimated delivery dates.

**21. Limitations of Liability:** IN NO EVENT SHALL COMPANY BE LIABLE TO BUYER FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR AS THE RESULT OF, THE SALE, DELIVERY, NON-DELIVERY, SERVICING, USE OR LOSS OF USE OF THE PRODUCTS OR ANY PART THEREOF, OR FOR ANY CHARGES OR EXPENSES OF ANY NATURE INCURRED BY BUYER WITHOUT COMPANY'S PRIOR WRITTEN CONSENT, EVEN THOUGH COMPANY HAS BEEN NEGLIGENT. FURTHER, COMPANY SHALL BE UNDER NO RESPONSIBILITY OR LIABILITY FOR ANY LOSS OR DAMAGE OCCURRING BY REASON OF DELAY OR INABILITY TO DELIVER CAUSED BY FIRES, MACHINERY BREAKDOWNS, ACCIDENTS, STRIKES, LOCKOUTS, EMBARGOES, CAR SHORTAGES, DELAYS OF CARRIERS, INSURRECTIONS, RIOTS, ACTS OF THE CIVIL OR MILITARY AUTHORITIES OR PROCURING SUITABLE MATERIALS OR FROM ANY OTHER CAUSE BEYOND OUR CONTROL AND IF DELAY FROM ANY OTHER SUCH CAUSE OCCURS, THE DELIVERY TIME SHALL BE CORRESPONDINGLY EXTENDED. IN NO EVENT SHALL COMPANY'S LIABILITY UNDER ANY CLAIM MADE BY BUYER EXCEED THE PURCHASE PRICE OF THE PRODUCTS IN RESPECT OF WHICH DAMAGES ARE CLAIMED.

**22. Contingencies:** Company shall not be liable for any default or delay in performance if caused, directly or indirectly, by acts of God; war; force of arms; fire; the elements; riot; labor disputes; picketing or other labor controversies; sabotage; civil commotion; accidents; any governmental action, prohibition or regulation; delay in transportation facilities; shortage or breakdown of or inability to obtain or non-arrival of any labor, material or equipment used in the manufacture of the Products; failure of any party to perform any contract with Company relative to the production of the Products; or from any cause whatsoever beyond Company's control, whether or not such cause be similar or dissimilar to those enumerated. Company shall promptly notify Buyer of the happening of any such event and of, the contemplated effect thereof on the manufacture and delivery of the Products.

**23. Loss to Buyer's Property; Patent, Trademark, or Copyright Infringement:** Company shall not be liable for, and shall have no duty to provide insurance against, any damage or loss to any Products or materials of Buyer (including Tooling) which are used by Company in connection with this order. Where any Product is manufactured from Tooling, patterns, plans, drawings, or specifications furnished by Buyer, Buyer shall indemnify Company against and save Company harmless from all loss, damage, and expense arising out of any suit or claim against Company for infringement of any patent, trademark, or copyright because of Company's manufacture of such Product or because of the use or sale of such Product by any person. Upon Company's request, Buyer shall appear in and assume the defense of the litigation, at no cost to Company.

**24. Tolerances:** When dimensions and tolerances are not otherwise specified and agreed upon, Tooling will be constructed to produce Products within the standard tolerances specifications of plus or minus .060 inches. Company will not be responsible for color or thickness variations in sheets from which fabrications are made, nor for other material variations beyond our control.

**25. Company's Specifications, Technical Data, Etc:** Any specifications, drawings, plans, notes, instructions, engineering notices, or technical data of Company furnished to Buyer shall be deemed to be incorporated herein by reference the same as if fully set forth. Company shall at all times retain title to all such documents, and Buyer shall not disclose any of the same to any party other than Company or a party duly authorized, in writing, by Company. Upon Company's request, Buyer shall promptly return to Company all such documents and all copies thereof.

**26. Buyer's Obligation; Rights of Company:** If Company shall at any time doubt Buyer's financial responsibility, Company may demand adequate assurance of due performance or decline to make any further shipments except upon receipt of cash payment in advance or security. If Company demands adequate assurance of due performance and the same is not forthcoming within 10 calendar days after the date of Company's demand, Company may, at its option, (i) continue to defer further shipments under this order and/or any other order from Buyer which has been accepted by Company until adequate assurance is received, or (ii) cancel this order and/or any other orders from Buyer which have been accepted by Company and recover damages. If Buyer fails in any way to fulfill the terms and conditions on the front or the back hereof, Company may defer further shipments until such default is corrected or cancel this order and recover damages.

**27. Limitation on Assignment:** Neither party may assign any of its rights or obligations hereunder without the prior written consent of the other except that Company shall have the right to assign its rights and obligations to any person or entity with which it is affiliated or to any corporation into which it shall be merged or consolidated, or by which it, or all or substantially all of its assets, shall be acquired.

**28. Export:** If the Products herein are to be exported, this order is subject to Company's ability to obtain export licenses and other necessary papers within a reasonable period. Buyer will furnish all Consular and Custom declarations and will accept and bear all responsibility for penalties resulting from errors or omissions thereon. Buyer shall not re-export the Products or any items which incorporate the Products if the re-export would violate United States export laws and regulations.

**29. Equal Opportunity Clause:** This clause applies only in the event that the Products are to be used in whole or in part for the performance of government contracts and where the dollar value of said Products exceeds, or may in any one year exceed \$10,000:

"In connection with the performance of work under this contract, the contractor (subcontractor) agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The aforesaid provision shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor (subcontractor) agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause."

"The provisions of the Equal Opportunity Clause, as promulgated by Executive Order 11246 dated September 24, 1965, as amended, are incorporated herein by reference"

**30. Entire Agreement:** These Terms and Conditions and all purchase orders, quotes and/or confirmations incorporated herein, contain the entire agreement between Company and Buyer and constitutes the final, complete and exclusive expression of the terms of the agreement, all prior or contemporaneous written or oral agreements or negotiations with respect to the subject matter hereof being merged herein. By way of illustration and not limitation, Buyer's order shall be deemed to incorporate, without exception, all the terms and conditions hereof notwithstanding any order form of Buyer containing additional or contrary terms or conditions, unless Buyer shall have expressly advised Company to the contrary in a writing apart from such order form, and no acknowledgment by Company of, or reference by Company to, or performance by Company under, an order of Buyer shall be deemed to be an acceptance by Company of any such additional or contrary terms or conditions. In the event of a written request by Buyer for additional or contrary terms or conditions, then such modifications may be made in these terms and conditions only by a written instrument signed by one of Company's officers.

**31. Severability:** In the event that any provision hereof shall violate any applicable statute, ordinance, or rule of law, such provision shall be ineffective to the extent of such violation without invalidating any other provision hereof.

**32. Governing Law:** This document and the sale of all Products shall be governed by and construed in accordance with the laws of the State of Ohio, as applicable to contracts executed and wholly performed therein.

We are pleased to submit the foregoing Quotation/Confirmation. Our Acceptance of your order will be subject to and include and incorporate these Terms and Conditions also found at <http://www.ctcplastics.com/terms/TermsAndConditions.pdf>. It will be expressly made conditional on assent by you to all Company Terms and Conditions hereon, which also supercede and supplement any of your terms and conditions or their equivalent. Your acceptance of any Company quotation or confirmation constitutes your acceptance of and binds you to these Company Terms and Conditions. Means of your acceptance includes but is not limited to, your issue of an order, purchase order or other accepting act of document agreeing to the terms offered by Company.