

TERMS AND CONDITIONS OF SALE

1. General. These terms and conditions ("***Terms & Conditions***") constitute the complete agreement between Custom Service Plastics, Inc. ("***CSP***") and Customer and supersede any and all prior communications and agreements, and all future agreements except as set forth in writing and signed by both CSP and Customer. No course of prior dealings and no usage of the trade shall be relevant to supplement or explain any terms used in these Terms & Conditions.

2. Acceptance of Terms. Placement of an order and/or acceptance of an order acknowledgement via EDI or otherwise without written objection within ten (10) days therefrom constitutes Customer's acceptance of these Terms & Conditions, and acceptance by CSP of Customer's order is expressly limited to and conditioned upon Customer's acceptance of the terms and conditions contained herein, which may not be changed or waived unless signed in writing by a duly authorized representative of CSP. Any additional, inconsistent or different terms and conditions stated by Customer or contained in Customer's purchase order or other documents supplied by Customer are hereby expressly rejected.

3. Orders. All orders received are subject to acceptance by a duly authorized representative of CSP at its home office in Lake Geneva, Wisconsin. Typographical and clerical errors or omissions in quotations, orders, and acknowledgments are subject to correction by either party if made within two (2) business days from the date of receipt by the other party. Any specifications, statements, drawings and descriptions regarding weights, dimensions, cycle time and other details supplied by CSP are approximate only, and do not create any express or implied warranties relating to same. Where Customer provides parts, tooling and/or manufacturing specifications, Customer represents and warrants that it owns (or has the legal right to use) the intellectual property for same, and agrees to hold CSP harmless and indemnify it from any and all liability, expense, claim, damages or judgments arising out of any claimed intellectual property infringement relating to an order.

4. Payment Terms.

(a) *Parts:* Parts are invoiced upon shipment, net thirty (30) days from date of invoice, unless specified to the contrary in writing by a duly authorized representative of CSP; *provided, however*, that if for any reason Customer declines to receive the parts when tendered by CSP, the entire balance of the purchase price shall immediately become due and payable, regardless of invoice date.

(b) *Tooling:* Payment for tooling will require a down payment, payable upon receipt of invoice. This payment may be up to 50% of the total selling price of the tooling. The balance of the tooling will be paid with maximum net 30-day terms based upon achieving certain milestones such as tool design acceptance, initial sample acceptance, PPAP (or other) submittal, or PPAP (or other) approval. CSP will not ship production parts until the PPAP (or other) is agreed upon in writing, and the final tooling invoice has been received by Customer. If CSP does not have a tax-exempt certificate on file for Customer, applicable sales or use tax will be added to the total selling price of the tooling. *Late Payment:* If payments are not made when due, Customer shall incur a late charge equal to the lesser of one and one-half percent (1-1/2%) per month or the highest applicable rate allowed by law on all overdue payments, retroactive to the invoice date. Customer shall bear all costs of collection incurred by CSP for overdue payments, amounts and expenses, including all attorneys' fees. CSP may withhold further shipments of parts if payment is not timely made for prior parts shipments, tooling or any other Customer expense specified herein. If, at any time in CSP's judgment, Customer is or may become unable or unwilling to meet the foregoing payment terms, CSP may require satisfactory assurances as it deems necessary as a condition of commencing or continuing manufacture or shipment of parts or tooling.

(c) *Payment Method:* All payments of invoices shall be in United States Dollars and shall be made using electronic funds transfers or bank drafts. CSP will furnish Customer all information required to make such payments. If delivery is delayed by Customer, date of readiness for delivery shall be the date of delivery for payment purposes. If manufacture is delayed by Customer, payment shall be made based on Customer price and percentage of completion at the time of such delay, balance payable in accordance with the terms as stated. If, in the sole judgment of CSP, the financial condition of Customer at any time prior to delivery does not justify the terms of payment specified then CSP shall be entitled to receive reasonable cancellation charges. Delays in delivery or non-conformities in any installments shall not relieve Customer of its obligation to accept and pay for remaining installments.

5. Prices and Quotations.

(a) *Quotes:* Unless otherwise specified on the quotation: (1) all quotations must be in writing and signed by a representative of CSP authorized to make such quotation; (2) all quotations are valid for thirty (30) days from the date of quotation; and (3) all prices and quotations shall be in United States Dollars.

(b) *Taxes; Licenses:* Prices are subject to adjustment for any excise, sales, privilege, use or any other taxes, local, state, federal or foreign, which CSP may be required to pay in the course of the sale or delivery of the parts or tooling. Notwithstanding the foregoing, nothing contained herein shall be construed as imposing responsibility or liability upon CSP for the payment of taxes or the obtaining of any permits, licenses, or approvals from any agency or governmental entity, foreign or domestic, which may be required in connection with the order.

(c) *Transportation Costs:* Unless specifically agreed to the contrary, prepaid freight will be added to the purchase price, and any increase in transportation rates or other shipping charges from date of quotation or purchase order shall be paid by Customer.

6. Shipment. All orders are generally shipped F.O.B. point of origin. For shipments outside the continental United States, all orders are shipped Ex Works according to 2010 INCOTERMS conditions, and CSP shall cooperate with Customer's agents in making necessary arrangements for overseas shipment and preparing necessary shipping documents.

Delivery schedules are generally computed from the date that the Customer's order is approved. In the case of special items, delivery schedules will be computed from the date CSP receives all information it requires to proceed with the manufacturing process. Notwithstanding any agreement to the contrary, risk of loss or damage shall pass to Customer and delivery shall be deemed complete upon delivery of the parts or tooling by CSP to a private or common carrier or upon moving into storage, whichever occurs first, at the point of shipment.

7. Force Majeure. If CSP suffers delay in performance or delivery due to any cause beyond its reasonable control, including acts of God, acts or omissions of Customer, acts of government, fires, floods, pandemics, strikes or other labor disturbances, war, riot, sabotage or delays in obtaining from others suitable services, materials, components, equipment or transportation, the time of performance or delivery shall be extended for a period of time equal to the period of the delay and its consequences. CSP will give to Customer notice with a reasonable time after CSP becomes aware of any such delay. Under no circumstances shall CSP be responsible for any loss or damage to Customer resulting from a Force Majeure event.

8. Order Cancellation. Written orders placed by Customer may be canceled by Customer only upon prior written notice and upon payment of reasonable and proper termination charges, including, but not limited to all direct and indirect costs associated with the order incurred prior to the effective date of notice

of termination, and all direct and indirect costs and charges incurred by CSP in respect to the termination ("**Termination Costs**"). Customer understands and agrees that Termination Costs shall include CSP's invoiced cost of any raw materials and/or tooling ordered by CSP in preparation for production prior to the effective date of notice of termination, regardless of whether CSP has taken delivery of such materials or tooling, as well as work in process at Customer's invoice rate.

In the event that CSP is required to purchase specific materials for an order, the order becomes firm. All other orders become firm thirty (30) days before the target shipment date. Firm orders are not subject to cancellation, modification or shipment deferral unless CSP is paid for any losses or additional costs resulting therefrom. Any cancellation, modification or deferment of shipment must be submitted in writing to CSP and will not be deemed accepted until Customer has agreed in writing to pay for all resultant losses and costs of CSP, in addition to Termination Costs.

9. Order Modification/Changes.

(a) *General Changes:* Customer may make changes within the general scope of an order regarding applicable specifications, method of shipment or packing and place of delivery.

(b) *Design Changes:* CSP will not accept part design changes during tooling production unless it has given express written consent to such changes in the form of a quote prior to the production of the first article of any part. CSP reserves the right to re-quote tooling costs in the event of Customer design and/or specification changes prior to production, and Customer agrees to promptly pay CSP for tooling modification required by such changes per CSP's quote and payment terms. CSP shall have no responsibility as to fit or function of parts manufactured in accordance with the modified design.

(c) *Price Adjustment:* If any Customer-requested order modification, change or shipment deferral results in an increase in CSP's cost or time required to process the order, Customer understands and agrees that CSP shall unilaterally adjust the order price or delivery schedule or both, and the order shall be deemed to be modified. Additionally, if the order is in process prior to Customer's request for modification or change, then the portion of the order processed will be canceled and the Customer shall promptly compensate CSP in accordance with the Order Cancellation terms above.

10. Tools and Molds.

(a) *Storage and Insurance:* CSP will store molds and tools for Customer's exclusive use in accordance with Customer's orders. Except for normal production maintenance, Customer shall be exclusively responsible for replacement or repair of molds and tools, bearing all risk of loss, and it shall be the sole and exclusive duty of Customer to procure and maintain such casualty or other insurance coverage as it deems necessary to protect its molds and tools at all times while in CSP's possession. CSP may, at Customer's sole risk, store tools and molds for approximately two (2) years following the final production of Customer's parts order(s), and then dispose of or return same to Customer at Customer's cost. Customer agrees to hold CSP harmless from any liability, expense, claim or damage arising out of the CSP's use or storage of Customer's molds and tools.

(b) *Reworking & Special Tools:* CSP shall not be responsible for: (i) any reworking of dies, engravings, molds, or similar items performed outside CSP's facilities by or at Customer's initiative; or (ii) any back charges for work done by Customer unless authorized in writing in advance by CSP. Unless otherwise agreed in writing, any special jigs, gages or fixtures required for manufacture of Customer's order are to be supplied by Customer at its own expense.

(c) *CSP Responsibilities:* CSP's responsibility for all molds, tools and/or parts manufactured for Customer is limited to the furnishing of suitable materials based on information furnished by Customer to provide workmanlike compliance with Customer drawings and specifications. CSP will supply Customer with one PPAP (desired PPAP Level to be determined prior to tooling kickoff) with parts included. Charges and costs will be quoted separately for further services requested by Customer.

(d) *Parts Approval; Production:* The molded parts will be considered as approved by Customer unless written notice to the contrary is made by Customer within ten (10) days of receipt of first article of sample parts; *provided, however,* that written acceptance of first article of parts produced from new tooling or modified tooling will be required from an authorized employee of Customer before production will begin. In all cases, production runs will not commence until a signed Part Submission Warrant (PSW) or equivalent is received by CSP. CSP guarantees satisfactory operation of molds as specified herein. CSP's engineering unit, when requested, will serve Customers in submitting suggestions concerning polymer materials used. However, CSP will not assume responsibility or liability for the practicability of such suggestions or recommendations if adopted by Customer. Further, CSP assumes no responsibility for the practicality of Customer's drawings, designs and specifications. CSP's liability resulting from defective parts manufactured pursuant to Customer's order is expressly limited as described in the Limited Warranty section below.

11. Claims. Customer's claims for lot shortages, correction of erroneous order charges or other errors must be made in writing and delivered to CSP at its home office in Lake Geneva, Wisconsin, within fifteen (15) days of Customer's receipt of the parts. Claims outside of this time period will be disallowed. Customer acknowledges that

12. Returned Goods. If, upon inspection within one hundred twenty (120) days of Customer's receipt of the parts, Customer is of the opinion that the parts are defective or otherwise unacceptable, Customer must notify CSP in writing. Any parts which has been modified or altered by Customer may not be returned. All returns are subject to the provisions of these Terms & Conditions. Prior to making any return to CSP, Customer must first obtain a Returned Material Authorization ("**RMA**") number from an authorized representative of CSP. The following conditions apply also to returns:

(a) *Return Shipping; Marking:* All RMA parts must be returned by delivery F.O.B. destination unless otherwise agreed upon in writing with CSP. Title and risk on all parts shall remain with Customer until received by CSP. All parts returned to CSP must be clearly marked with the RMA number clearly visible on each shipping container or carton. Delivery of returns not so marked will not be accepted by CSP.

(b) *Testing:* All returns are subject to inspection and/or testing by CSP as it deems appropriate. If CSP determines that the returned parts comply with Customer order specifications, it shall notify Customer, and all direct and indirect costs of testing shall be paid by the Customer.

13. Limited Warranty.

(a) *Warranty:* CSP warrants that at the time of shipment, the parts shall conform to Customer drawing specifications. This warranty shall only apply to part defects reported in writing to CSP within thirty (30) days from the latter of the date of shipment or the date of the CSP invoice. This warranty is strictly limited and does not apply or extend to altered parts, damage caused by accident, the elements, abuse, misuse, temporary heat, overloading or by erosive or corrosive substances or the alien presence of oil, grease, scale, deposits or other contaminants in the parts. There are no other warranties, express or implied.

(b) *SPI Standards*: Parts will generally be furnished in accordance with the Society of Plastic Industries (“SPI”) standards, or its successors. The following are SPI definition standards that make up CSP’s tooling quote designation: (Grade #6 = under 500 duty cycles), (Grade #5) = under 10,000 duty cycles), (Grade #4) = under 50,000 duty cycles), (Grade #3) = under 100,000 duty cycles), (Grade #2) = under 500,000 duty cycles), (Grade #1) more than 1,000,000 duty cycles).

(c) *Warranty Exclusions*: THE FOREGOING IS IN LIEU OF ALL OTHER WARRANTIES, ORAL, OR EXPRESSED OR IMPLIED, INCLUDING ALL WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION OF THE PARTS. THERE ARE NO EXPRESS WARRANTIES OTHER THAN THOSE CONTAINED IN THIS SECTION AND TO THE EXTENT PERMITTED BY LAW THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. IN NO EVENT SHALL CSP BE LIABLE FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR FOR LOSS, DAMAGE OR EXPENSE, DIRECTLY OR INDIRECTLY ARISING FROM THE USE OF THE PARTS OR FROM ANY OTHER CAUSE WHETHER BASED ON WARRANTY (EXPRESS OR IMPLIED) OR TORT OR CONTRACT, AND REGARDLESS OF ANY ADVICE OR RECOMMENDATION THAT MAY HAVE BEEN RENDERED CONCERNING THE PURCHASE OR USE OF THE MATERIALS, TOOLING AND/OR PARTS. THE PROVISIONS OF THIS SECTION AS TO DURATION AND LIMITATION OF LIABILITY SHALL BE THE SAME FOR BOTH IMPLIED WARRANTIES (IF ANY) AND EXPRESSED WARRANTIES.

(d) *Warranty Satisfaction*: Satisfaction of this warranty is limited, at CSP’s option, to: (i) the replacement of the parts by CSP, (ii) repair or modification of the parts by CSP, or (iii) issuance of a credit for the non-conforming parts. The foregoing are the Customer’s exclusive remedies and the extent of CSP’s liability for breach of implied (if any) and express warranties, representations, or defects from any cause, in connection with the sale or use of the parts.

14. Dispute Resolution; Venue. In the event of a dispute between CSP and Customer arising out of these Terms & Conditions, the parties shall meet and negotiate in good faith to attempt to resolve the dispute. In the event the dispute is not resolved within thirty (30) days of the date one party notified the other party in writing of the dispute and if any party wishes to pursue the dispute, it shall be litigated in the state and federal courts located in (or nearest to) Walworth County, jurisdiction of the State and Federal courts located in Lake Geneva, Walworth County, Wisconsin (and any appellate courts taking appeals therefrom). Each party waives and agrees not to assert as a defense in any such action that it is not subject to such jurisdiction or that is brought in an inconvenient forum or that venue is improper. In the event such action is commenced, each party agrees that personal service may be made, and personal jurisdiction over a party may be obtained, by service of a copy of the summons, complaint and other proceedings required to commence such litigation upon such party at the address of such party.

15. Governing Law. All sales and purchases from CSP, including terms and conditions thereof and these Terms & Conditions, shall be governed by the laws of the State of Wisconsin, without regard to its conflicts of law provisions. CSP does not assume any responsibility for compliance with any foreign or federal, state or local laws and regulations, except as expressly set forth herein, and compliance with any laws and regulations relating to the parts is the sole responsibility of the Customer. All laws and regulations expressly incorporated herein shall be those in effect as of the date hereof. In the event of any subsequent revisions or changes thereto, CSP assumes no responsibility for compliance therewith. If Customer desires a modification as a result of any such law change or revision, it shall be treated as a changed order.

16. Waiver; Partial Invalidity. CSP’s waiver of any term or condition of these Terms & Conditions in any instance, or the acceptance of partial or delayed payments or performance required herein shall not operate as a continuing waiver or a waiver of any subsequent breach thereof.

17. Invalidity. If any provision of these Terms & Conditions is declared invalid or unenforceable by a court having competent jurisdiction, it is mutually agreed that these Terms & Conditions shall endure except for the part declared invalid or unenforceable by order of such court. Within the ten (10) day period following such declaration, the parties shall consult and use their best efforts to agree upon a valid and enforceable provision which shall be a reasonable substitute for such invalid or unenforceable provision in light of the intent of these Terms & Conditions. If no substitute provision can be agreed upon in such ten (10) day period, then the parties shall retain the services of an arbitrator located in Milwaukee, Wisconsin who shall prepare a substitute provision which shall be binding on both parties. Each of the parties shall be responsible for one-half of the fees of such arbitrator.