



1.0 PURPOSE / SCOPE - The following Terms and Conditions will govern all transactions with Formed Plastics Inc. ("Purchaser") unless expressly agreed by the parties to the contrary. These Terms and Conditions are incorporated by reference into all written Information Services Purchase Orders and electronic orders as if expressly set forth therein.

2.0 DELIVERY OF PRODUCTS/SERVICES – MUST BE DELIVERED BY DATE SPECIFIED. Time is of the essence of this purchase order regarding delivery of all products and/or services listed in the purchase order. Please advise immediately if any products and/or services cannot be delivered as ordered by the stated date (include purchase order number).

Partial Shipment - At Purchaser's option, in the event of shipment or receipt of less than all products or services ordered, it may both accept shipment and pay only for the products or services received, pro rata based on the unit price of the item ordered or reject the entire shipment.

Late Shipment - It is understood and agreed, in addition to remedies provided by law, that if this order or any part thereof is not delivered by the time specified on the face hereof, Purchaser may cancel this order in full and reject the late delivery without cancellation of this order as to later deliveries. It is further understood and agreed that for purposes of this paragraph each shipment required hereunder is to be considered separately, and our right to reject a late delivery shall not be affected by acceptance of other late deliveries from the Supplier. All such cancelled products shall be returned at the Supplier's expense.

Early Shipment - Products delivered prior to date specified, at Purchaser's option, may be subject to anticipation and warehouse charges or, may be returned at the Supplier's expense to be held until proper shipping date.

3.0 PRODUCTS/SERVICES NOT ORDERED – If the products do not in every respect correspond with the description set forth on the purchase order (including make, model number, serial number and type), Purchaser may at any time return all or part of such products at the Supplier's expense. Products and/or services received as over shipment, not ordered, substitution and deviation from the purchase order, will be subject to a handling charge, and is subject to all other rights and remedies available to the Purchaser.

4.0 INVOICES AND PACKAGING -- Supplier shall, if applicable to the purchase order, show on each invoice and each carton:

Purchaser's Order Number

Carton and Number of Cartons in the Shipment

Supplier's Invoice Number

Store Number

Include a packing memo with the products which details the model number, make, type and serial number, quantity, etc.

Invoices for partial shipments write: "Balance to Follow" or "Balance Cancelled". (If "Back Order" products and/or services are not shipped by completion date, the purchase order may be cancelled at Purchaser's option, and returned at Supplier's expense). If two or more cartons are used, indicate the carton which contains the Packing Memo.

Not charge Purchaser any additional charge for draying or packing unless specified products shipped by freight classification shall be packed, marked and described so as to obtain the lowest rate possible there under consistent herewith, except when otherwise specified by Purchaser. Penalties or increased charges due to Supplier's failure to comply with this section shall be payable by Supplier.

5.0 SHIPPING AND ROUTING – Supplier shall, if applicable to the purchase order:

Follow shipping instructions shown on this order or previous routing letter or shipments will be considered F.O.B. Purchaser Destination.

Show on the Bill of Lading:

Purchaser's Order Number

Carton Number and Number of cartons in the shipment

Supplier's Invoice Number

Name of Carrier(s) and full routing to destination.

6.0 EXCESS CHARGES – In no instance shall Purchaser be liable to Supplier in excess of the actual Purchase Order cost, less applicable discounts and/or other deductions, and no interest or other charge shall be recognized or paid by Purchaser upon any such Purchase Order or resulting invoice, whether claimed by reason of late payment or otherwise. Purchaser shall be liable only for the sales and use taxes made known in writing to the Purchaser by Supplier at the time of purchase.

7.0 PAYMENT OF INVOICES – Purchaser pays from invoice only and payment shall be deemed extended until the invoice is received without loss of discount. Terms of payment will be considered from the date of receipt of products and/or services directly by Purchaser at its place of business. Invoices received on or after the 25th will be considered as dated the first of the following month.

8.0 INSPECTION OF PRODUCTS/SERVICE; ACCEPTANCE – Purchaser shall be under no obligation to unpack or inspect the products and/or services. The Supplier shall be responsible for the consequences of negligent manufacture and packing, and for the consequences of negligent handling prior to point where Purchaser assumes ownership. Purchaser's acceptance of the products and/or services shall be in accordance with the acceptance criteria set forth in the applicable statement of work. In the absence of acceptance criteria, products shall be accepted when installed and fully operational and services shall be accepted when completed.



9.0 CERTIFICATE OF CONFORMANCE - Supplier shall supply a Quality Certificate of Conformance for each shipment. Supplier's original C of C shall be maintained by supplier and copy is to be included with each shipment. Supplier's C of C shall include: (a) supplier's Name, (b) purchase order #, (c) part number and associated drawing revision level to which the goods were manufactured too. (d) the quantity produced, (e) statement attesting that goods and services conform to the drawing, purchase order and/or the contract (when required) and (f) Name or signature or stamp with title of supplier's authorized personnel endorsing the certificate.

10.0 WARRANTY AND CERTIFICATION – Shipment by Supplier of any part of this order constitutes a warranty and certification that: a) Supplier owns all rights, title and interest in the products and services and has the legal authority to sell, license or otherwise transfer the right to use or sell to Purchaser; b) the products and services covered under a purchase order is free from defects in material and workmanship and shall conform to applicable specifications and associated documentation for a period of one (1) year from the date of acceptance by Purchaser; c) the products and services, and the production and sale, thereof, and all warranties, guarantees, representations by Supplier made or authorized to be made in connection therewith are in all respects in compliance with all laws, ordinances, rules and regulations of all government bodies, departments and agencies having jurisdiction thereof; and d) use of the products and services will not infringe any intellectual property rights of any third party. These warranties are in addition to all express warranties and shall run to the benefit of and shall create direct rights of enforcement and remedy of Purchaser. Purchaser's rights and remedies, whether existing by law or equity or arising from breach of warranty by Supplier or failure by Supplier to observe or perform any of the terms and conditions hereof may not be abridged, modified, or in any way limited or restricted by the Supplier.

11.0 INFRINGEMENT – Purchaser reserves the right at its option to return at Supplier's expense any products and cancel this purchase order where a claim is made (whether founded or unfounded) that the use by Purchaser infringes or invades any alleged patent, design, trademark, copyright, right of privacy, or any other tangible or intangible personal or property rights. Supplier agrees to indemnify, defend and hold Purchaser harmless from and against any and all liability, claims, suits, actions, losses, causes of action, judgments, damages, penalties, costs, disbursements, or expenses (including reasonable attorneys' and experts' fees) (collectively "Damages") which may be asserted, alleged demanded, claimed, recovered or otherwise incurred or sustained by Purchaser related to any alleged or actual infringement by the products or services of any third party's patent, copyright, trade secret, trademark or other intellectual property right, whether or not Purchaser furnishes specifications.

12.0 INDEMNIFICATION – Supplier agrees to indemnify, defend and hold Purchaser harmless from and against any and all Damages relating to or arising by virtue of any claim or demand of any kind or nature arising from the purchase, or use of such products or services or from any patent or hidden defects in the quality of such products and/or services or dangerous condition thereof, whether based on claim of breach of express or implied warranty or any other legal theory based on contract or tort law or if brought pursuant to a class action statute or not.

13.0 INSURANCE – Supplier agrees to insure at its expense, any products ordered pursuant hereto, for its full and true cost, which by the term of this order is to be stored at other than the Purchaser's warehouse. In addition, Supplier shall obtain and maintain, at Supplier's expense, insurance covering Damages with liability limits not less than Two Million Dollars (\$2,000,000) per person, per occurrence. Prior to delivery of any product or service to Purchaser, Supplier shall deliver to Purchaser, a Certificate of Insurance evidencing the foregoing insurance is in full force and effect; that Purchaser has been named on the insurance policy as an additional named insured; that the coverage under said policy and the proceeds thereof shall be effective in the event of any claim as of the date of the delivery of products or services notwithstanding that as of the date of injury or damage said policy may have been canceled or coverage reduced; and that said policy shall not be canceled or otherwise modified or amended to the detriment of Purchaser without the insurer or its authorized agent first giving Purchaser ten (10) days prior written notice by certified mail advising Purchaser of Supplier's intention to cancel, modify or amend such insurance policy. Upon receipt of any such notice, Purchaser, at its option, may cancel any order placed with Supplier. The purchase of such insurance and furnishing of such certificates shall not be in satisfaction of Supplier obligations hereunder or in any way modify Supplier's agreement to indemnify Purchaser.

14.0 DISCONTINUANCE OF PURCHASER'S BUSINESS – Discontinuance of, or substantial interference with Purchaser's business, in whole or in part, by reason of fire, flood, earthquake, tempest, strikes, war, Acts of God, embargo, civil commotion, governmental regulation, or other causes beyond Purchaser's control (whether like or unlike the foregoing), shall give Purchaser the option of canceling all or any part of the undelivered products and/or services covered by this Order without liability in respect of the products and/or services so cancelled.

15.0 CANCELLATION -- Purchaser reserves the right to terminate the purchase order or delay delivery or acceptance of any of the products and/or services ordered for its convenience prior to delivery. In such event, Supplier shall immediately stop all work and observe any instruction from Purchaser as to work in progress.

16.0 ASSIGNMENT – This Order and any right or obligation or performance hereunder is not assignable or delegable by the Supplier without the prior written consent of the Purchaser, and any such attempted assignment or delegation shall be void and ineffective for all purposes.

17.0 NON WAIVER – Purchaser's right to require strict observance or performance of each of the terms and provisions hereof shall not be affected by concurrent waiver of any other term or provision or by any previous waiver, forbearance of course of dealing.

18.0 HEADINGS – The section headings have been inserted for convenient reference and shall not be considered in any question of interpretation or construction of this Order or Contract, as the case may be.



19.0 APPLICABLE LAW; VENUE – Purchaser and Supplier expressly agree that all rights and duties under this purchase order and any contract arising there from shall be governed by and construed in accordance with the laws of the State of New York. Any dispute arising out of this Agreement which cannot be resolved by agreement shall, whenever diversity or subject matter jurisdiction exists, be submitted to the United States District Court for the District of New York and the parties submit to the personal jurisdiction of such court.

20.0 DEDUCTIONS AGAINST SUPPLIER'S INVOICES – Purchaser obligations under this Order or Contract, as the case may be, shall be subject to deduction of any valid claim of Purchaser against Supplier arising from this or any other transaction. Supplier shall be deemed to acknowledge the validity of any claim of Purchaser against Supplier, if Supplier does not notify Purchaser that it disputes such claim and specifies with some particularity its reasons there for within thirty (30) days from the date it receives notice or knowledge thereof.

21.0 SEVERABILITY – If any provision of this Order or Contract, as the case may be, shall be deemed invalid or unenforceable, this Order or Contract, as the case may be, shall be construed as though such provision does not appear herein and shall be otherwise fully enforceable.

25.0 NOTICES – All notices, consents, demands and other communications with respect hereto shall be in writing and sent first class mail, postage prepaid, if to Formed Plastics, Inc., 207 Stonehenge La. Carle Place, NY 11514, to the attention of the Buyer, and if to Supplier addressed as indicated on the face of the Purchase Order or Contract as the case may be.

22.0 ENTIRE AGREEMENT – By acknowledging receipt of this order or by delivery of the products and/or services or any portion thereof, Supplier agrees to the terms and conditions set forth on the face and the reverse side hereof. The terms hereof shall constitute a complete agreement, understanding of conditions whether in your acceptance or otherwise, are hereby rejected. The terms hereof can be added to or modified only by writing signed by an officer of Formed Plastics, Inc. Terms different from or additional to the terms hereof which are communicated orally or contained in an Acknowledgement of Order or similar instrument which precedes or accompanies a shipment hereunder shall not be deemed accepted by Purchaser notwithstanding Purchaser's acceptance of such shipment.

23.0 QUALITY REQUIREMENTS

Non Conforming Product – Any non-conforming material requires notification and approval from the purchaser prior to delivery.

Notification of product or process change - The supplier shall notify the purchaser prior to delivery of any change regarding the product or process.

Flow Down of Applicable Requirements – The Purchaser is responsible for flowing down all purchase order requirements that are applicable to their sub-tier suppliers.

Record Maintenance / Retention - The supplier is responsible for performing or having performed all inspections and tests necessary to substantiate that the supplies or services conform to contract requirements. . The supplier is responsible for establishing and defining the controls needed for the identification, storage, protection, retrieval and disposition of records. All records associated (C of C, inspection results, FAIs, etc.) with the conformance of product or service supplied to Formed Plastics must be retained for a minimum of 7 years or as stipulated on the contract (Purchase Order). These records shall be made available upon request by FP at no additional charge.

Source Surveillance– All items covered by this Purchase Order are subject source surveillance by a Purchaser Quality Representative. This includes surveillance of the products and Suppliers systems, procedures and facilities. The Supplier shall furnish at no cost, necessary facilities and equipment, supply data and perform test as required by applicable drawings, specifications and inspection instructions under the surveillance of the Purchaser Quality Representative. Notwithstanding the provisions of this clause, all items shall be subject to inspection and acceptance by the purchaser, our customer and statutory / regulatory authorities.

Right of Access - The supplier and supplier's sub-tier supplier's quality and manufacturing processes are subject to review and verification by the purchaser, purchaser's customer(s), and statutory / regulatory authorities. Supplier will permit facility visits by the aforementioned parties for the purpose of reviewing quality and manufacturing processes. Supplier shall comply with such visit requests when given at least one week prior notice.

Tool Proofing – Acceptance of production tooling on this purchase order shall be contingent upon inspection and acceptance by the Purchaser of the applicable characteristic of the tooling and the dimensional sample part. The tooling and dimensional sample part produced by this tooling must conform to the tolerance limits the applicable engineering drawings and specifications.

28.0 ADDITIONAL REQUIREMENTS – Additional requirements where applicable may be stipulated on the purchase order (contract)

First Article Inspection (FAI) - Is required on all models ordered by this PO. (a) The first piece will be inspected for acceptance to the design requirements by supplier, prior to fabricating the remainder of the lot deliverable under this purchase order/contract. The inspection results shall be documented and maintained with the lot records by Supplier. Supplier shall provide FAI data to Formed Plastics, Inc (b) If the first piece(s) is nonconforming, Supplier shall make the necessary adjustments and fabricate another first-piece part. (c) Supplier will conduct a "delta" FAI on all subsequent changes.

Foreign Object Debris (FOD) - The supplier shall ensure that all products are of new manufacture and free of Foreign Object Debris/Damage (FOD).

Acceptance Test/ Data Required - The supplier shall provide acceptance test data with each delivery. Testing will be conducted in compliance to the Purchaser Approved Test Procedure for the material being purchased.