



Molded Fiber Glass Companies

A Distinguished International Composites Company

MOLDED FIBER GLASS COMPANIES

Terms and Conditions of Sale

(Custom Molding Products)

1. **Applicability** - The following Terms and Conditions of Sale shall be applicable to all sales made by Molded Fiber Glass Companies, its subsidiaries, and divisions (hereinafter “Seller”) of its custom molding products to a customer (“Buyer”), except where it is otherwise expressly agreed in writing. In the event of a conflict between a written agreement and these terms, the written agreement shall control. Any additional or inconsistent terms, understandings, and conditions contained in any written or oral representations are objected to by Seller and will not be effective or binding as to Seller.
2. **Acceptance** - Acceptance of delivery of any or all products ordered by a Buyer shall constitute assent by Buyer to these terms of sale.
3. **Prices** – Prices are firm for the period and/or quantity indicated on any written quotation. Thereafter, the prices quoted may be changed by Seller with reasonable notice in order to reflect Seller's prices at time of shipment and any increase in transportation, labor, or other costs. If a delivery price has been quoted, any charges at destination for spotting, switching, handling, storage and other accessorial services and demurrage shall be borne by Buyer, and any increase in transportation charges shall be added to the quoted price. Seller reserves the right to correct any obvious errors in specifications or prices.
4. **Purchase Orders** - All purchase orders and change orders must be in writing. Orders will not be processed until a written purchase order is received. Orders will also not be processed or scheduled prior to receipt of complete contract drawings and specifications.
5. **Taxes** - Any taxes, which under any existing or future law Seller may be required to pay or collect with respect to the sale, purchase, delivery, storage, processing, use, consumption, or transportation of any of the products or services covered, shall be paid by Buyer to Seller on demand. The foregoing shall not apply to any taxes the payment or collection of which by Seller is excused by reason of delivery of valid tax exemption certificates.
6. **Terms of Payment** - Unless otherwise expressly provided, payment shall be due 30 days from the date of invoice, without discount. Interest at the rate of 1.5% per month will be charged on past due accounts commencing after the last day of the first calendar month following the date of invoice. All orders shall be subject to credit approval at Seller's main office.
7. **Deliveries** - Any delivery schedule indicated is based on Seller’s present estimate of the time required to ship after receipt of Buyer's order. Seller shall not be responsible for any delay in Seller's performance due in whole or in part to any causes beyond Seller's reasonable control, such as fire, strikes, lockouts, government acts or requirements,



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embargoes, insurrection, riot. Acceptance of delivery of any products by Buyer shall constitute a waiver by Buyer of any claim for damages on account of any delay in delivery of such products.

8. **F.O.B. Point** - Quotations and sales are F.O.B. point of shipment unless otherwise expressly stipulated.
9. **Suspension of Performance** - If, in Seller's judgment, reasonable doubt exists as to Buyer's financial responsibility, or if Buyer is past due in payment of any amount owing to Seller, Seller reserves the right, without liability and without prejudice to any other remedies, to suspend performance, decline to ship, or to stop any material in transit until Seller receives payment of all amounts owing to Seller or adequate assurance of such payment.
10. **Shipments** - Unless otherwise expressly stated, shipment may be by carrier or other means selected by Seller.
11. **Warranty** - Products furnished are warranted to be free from all latent defects in material and workmanship under normal use and service for a period of one (1) year from delivery. However, Seller will not be obligated beyond the repair or replacement of such products proven to be defective. Whether the products are manufactured by Seller or by another, such repair or replacement shall be Buyer's exclusive remedy, and neither Seller nor manufacturer shall be subject to any other liability. No claim for consequential or incidental damages shall be allowed. SELLER MAKES NO WARRANTY THAT THE PRODUCTS SOLD HEREUNDER ARE FIT FOR ANY PARTICULAR PURPOSE.
12. **Claims** - Buyer shall notify Seller of any defect, error, or shortage in products received by Buyer, in writing, within thirty (30) calendar days after delivery and such written notice must state the applicable order number or other information identifying the specific products at issue and must be accompanied by documents that substantiate the alleged defect, error, or shortage. If Buyer fails to provide Seller with such written notice within the required time, Buyer will be deemed to have waived such defect, error or shortage and to have accepted the products delivered. Any actions for Seller's breach of this contract must be commenced within one year after the cause of action shall accrue, and no such action may be maintained by Buyer which is not commenced within such period,
13. **Manufacturing Variations** - All products shall be subject to normal manufacturing variations of Seller and its raw materials suppliers as recognized in the reinforced plastics industry. Seller reserves the right to change raw material specifications and/or raw material at any time and assumes no obligation to continue to supply any product or products previously supplied. In the event samples are submitted to Buyer, future production will be based on the sample standard, recognizing that some modifications will occur through normal tool wear due to production.



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14. **Returns** - All items in this quotation are "specially fabricated" items and once fabricated cannot be returned for credit.
15. **Packaging** - Seller shall provide adequate packaging for all products shipped in accordance with recognized industry practice. All special packaging requirements of Buyer shall be charged to Buyer's account.
16. **Tools, Dies, and Fixtures** - Unless expressly provided otherwise, any tools, dies or fixtures which may be developed for use in production of the products covered shall be owned by Buyer or as Buyer may elect. Tools, dies, or fixtures shall be maintained (normal wear excepted) for Buyer's exclusive use unless such tools are inactive for a period of 18 months, at which time these items may be used or disposed of at Seller's discretion. Seller shall have a lien on the tools, dies, and fixtures for the value of all finished products, work in process, and specialty raw materials. In the event that Buyer notifies Seller of its intent to discontinue production and move the tools, dies, or fixtures to another location, all amounts due to Seller shall be immediately due and payable, and Seller shall be entitled to continue to retain possession of the tools, dies, and fixtures until the amounts due are paid in full. In the event of a dispute that the parties are unable to mutually resolve, Buyer may obtain possession of the tools, dies, and fixtures by depositing (in accordance with the Dispute Resolution provisions hereinafter): (a) the amounts due claimed by Seller; or (b) a bond in an amount equal to the amounts due claimed by Seller issued by an approved surety. The bond shall be conditioned that, if Seller prevails, Buyer and the surety are liable for the monetary amounts awarded.
17. **Design Responsibility** – Unless Seller is specially contracted (and receives consideration therefor) to create designs, specifications, or instructions, Buyer assumes all responsibility for the design, specifications, and instructions relating to the products, and Buyer makes no warranty, representation, or guaranty regarding same. Buyer agrees to indemnify and hold Seller harmless against any claims, loss, or expense resulting from any Buyer designs, specifications, or instructions that are defective.
18. **Intellectual Property** – Buyer warrants that the manufacture of products by Seller in compliance with Buyer's design, specifications, or instructions shall not infringe the intellectual property rights of others. Buyer shall indemnify and hold Seller harmless against any claims, loss or expense resulting from any claim of infringement of patents, copyrights or trademarks which may arise from compliance with Buyer's design, specifications, or instructions.
19. **Manufacturing Improvements** – Seller shall exclusively own any improvements, discoveries, or inventions relating to Seller's manufacturing processes, including, but not limited to, molding techniques and raw material formulations.



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20. **Government Contracts** - Where Buyer has indicated that Buyer's order is placed under a prime contract with the United States Government or a subcontract thereunder and has designated any one or more of the clauses contained in the Armed Services Procurement Regulations as presently in effect, such clauses so designated are incorporated herein to the extent they are required by any Federal statute or regulation or by the terms of Buyer's prime contract or subcontract.
21. **Compliance with Laws** - Any clause required to be included in a contract by any applicable law or by any administrative regulations having the effects of law is hereby incorporated herein.
22. **Waiver** – Waiver by either party of any default by the other shall not be deemed to waive any subsequent default.
23. **Cancellation** - A contract may be canceled or modified only by written agreement between Seller and Buyer. Buyer's insistence upon canceling or suspending fabrication or shipment or Buyer's failure to furnish specifications when required may be treated by Seller as a breach of contract by Buyer, and Seller may cancel any unshipped balance without prejudice to any other remedies Seller may have. Orders canceled after 3 working days of receipt will carry a minimum 10% cancellation charge in addition to cost of work performed to date.
24. **Set-Off** - Buyer authorizes Seller to apply forward payment of any monies that become due Seller hereunder against any sums which may now or hereafter be owed to Buyer by Seller, Seller's parent company or by any subsidiary or division of either Seller or its parent company.
25. **Assignment** – Seller shall have the right to assign or otherwise transfer the parties' written agreement, in whole or in part, to its parent company or any of its parent company's divisions or subsidiaries or to a purchaser of all or substantially all of its assets upon thirty (30) days' prior written notice. No other assignment or other transfers, in whole or in part, shall be permissible without the prior consent of the other party.
26. **Entire Agreement** - The terms set forth herein constitute the sole terms and conditions upon which Seller offers products for sale. No other terms, conditions, or understanding, whether oral or written, shall be binding upon Seller unless hereafter made in writing and signed by Seller's authorized representative. Any purchase order Buyer issues to Seller shall constitute Buyer's unconditional agreement to be bound exclusively by the foregoing Terms and Conditions of Sale.
27. **Governing Law** - These Terms and Conditions of Sale shall in all respects be governed by and interpreted in accordance with the substantive law of the State of Ohio, excluding its conflicts of law provisions.



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28. **Dispute Resolution** – Unless otherwise provided herein, if Seller and Buyer have a controversy, dispute or difference, the parties agree to submit same to mediation administered by the American Arbitration Association under its Commercial Mediation Procedures. If the dispute is not settled within a period of 60 days, such dispute shall be finally settled under the Commercial Arbitration Rules of the American Arbitration Association by one or more arbitrators appointed in accordance with such rules. The place for arbitration shall be Cleveland, Ohio. The award shall be final and binding on both Buyer and Seller, and the parties hereby waive the right of appeal to any court for amendment or modification of the arbitrators' award. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.