



Terms and Conditions of Purchase ("Agreement")

1. GENERAL:

(a) This Purchase Order ("Order") is placed subject only to the Terms and Conditions included in this Order and any reference herein to any proposal from Vendor is solely for the purpose of specifying basic information concerning price, the description of item(s), quantities, terms of payment, and delivery and then only as such terms are consistent with the terms and conditions herein.

(b) By shipping the goods, or by providing the services or by acknowledging receipt of this Order or by performing the work described in this Order, Vendor agrees to the Terms and Conditions as set forth in the Order. Any different or additional items in Vendor's acceptance of the Order are hereby objected to and will be considered as proposals for addition to this Order and will not be binding unless agreed to in writing by Comco Plastics Inc. (COMCO). Commencement or performance by the Vendor in the absence of COMCO's agreement to such proposals will constitute the Vendor's acceptance of the Terms and Conditions set forth herein.

2. QUANTITY ACCEPTABLE ON THIS ORDER: COMCO will accept only the quantity of goods or services in accordance with best commercial practices unless otherwise specified in this Purchase Order. All material both raw and manufactured (but not limited to) must be in compliance and certified to all specifications shown, unless otherwise stated on this Purchase Order.

3. CHANGES: COMCO may at any time, by a written Change Order, make changes in the general scope and terms of the Order. If any such changes cause an increase or decrease in the cost of, or the time required for performance of any part of the work under this Order or affects any other provisions of this Order, an equitable adjustment shall be made in the Order price or delivery schedule, or both, and in such other provisions of the Order as may be affected. Any claim by Vendor for adjustment under this clause must be asserted in writing within five (5) business days of the Vendor's receipt of the Change Order. Where the cost of any property made obsolete or surplus as a result of a change is included in Vendor's claim for adjustment, COMCO shall have the right to prescribe the manner of disposition of such property. Nothing herein shall excuse Vendor from proceeding with this Order as changed. This Order shall not be deemed or construed to be modified, amended, rescinded, cancelled or waived in whole or in part, except by written Change Order hereto signed by a COMCO's authorized representative.

4. PURCHASE ORDER NUMBER: COMCO's Order number must appear on all invoices, packing lists and bills of lading and shall appear on each package, container or envelope or each shipment made pursuant to this Order.

5. INVOICES/CASH DISCOUNTS: Invoices shall be billed in United States dollars and shall be submitted in duplicate and shall contain the following information: purchase order number, item number, description of item, sizes, quantities, unit prices, and extended totals in addition to any other information specified elsewhere herein. Bill of lading or express receipt shall accompany each invoice. Payment of invoices shall not constitute acceptance of supplies and shall be subject to adjustment for errors, shortages, defects in the supplies or other failure of Vendor to meet the requirements of the Order. Payment of invoices shall be made by COMCO within thirty (30) days with a 1% discount if payment is made within ten (10) days of the Time specified in (a), (b), or (c) below. COMCO may deduct from Vendor's invoices any monies owed to COMCO by Vendor.

Time in connection with above payment terms will be computed from the later of:

- (a) the scheduled delivery date
- (b) the date of the actual deliver, or
- (c) the date a valid invoice is received (EXCEPTION: REF. SEC.7-B)

Payment is deemed to be made for the purpose of earning the discount on the date of mailing of COMCO's check.

6. PACKAGING AND SHIPMENT:

(a) All articles are to be packed in accordance with sound commercial practices to obtain the lowest transportation rates unless otherwise specified in this Order and comply with requirements of common carrier.

(b) Shipments will be valued as to obtain the lowest transportation rates. Transportation insurance for loss or damage will not be purchased unless specifically directed. Excess transportation costs resulting from failure to comply with the provisions of this paragraph will be debited to the Vendor's account.

(c) Packages should be constructed for handling with a mechanical device.

(d) A complete package for specifying COMCO's applicable Order number and quantity of goods (certifications) shipped shall be enclosed with all shipments hereunder.

(e) Vendor shall mark each container with necessary lifting, loading and shipping information, including the COMCO Order number date of shipment and name and address of consignor and consignee.

(f) Vendor shall bear the expense of any premium transportation charges unless otherwise agreed.

(g) Prepaid transportation charges appearing on Vendor's invoice must be supported by freight bill or equivalent.

7. DELIVERY: Time and delivery are the essence of this Order. Deliveries are to be made both in quantities and at times specified herein. If Vendor's deliveries shall fail to meet schedule, COMCO, without limiting its other rights or remedies, may direct expedited routing and any excess costs incurred thereby shall be debited to Vendor's account. COMCO may in accordance with Section 9/10 hereof cancel all or part of this Order in the event Vendor fails to deliver goods as scheduled herein. With regard to any goods delivered in advance of schedule (**NOTE:** 4 business days in advance of stated delivery date is acceptable, and considered common commercial practices) COMCO may, at its option either:

- (a) return the goods at Vendor's expense for proper delivery, or
- (b) place the goods in storage and withhold payment therefore until scheduled delivery date.

COMCO | 98-31 Jamaica Avenue, Woodhaven, NY 11421
Office: 718.849.9000 | Fax: 775.414.5578 | comcoplastics.com



Terms and Conditions of Purchase ("Agreement")

8. INSPECTION: All supplies (including raw materials, components, subassemblies and products) may be inspected and tested by COMCO at all reasonable times and places before, during or after manufacture. If any supplies are defective in materials, workmanship, or are otherwise not in conformity with the requirements of the Order, COMCO shall have the right, whether or not payment has been made by COMCO, to reject them or require that such supplies be corrected or replaced promptly with satisfactory materials or workmanship. The rejected supplies may, at COMCO's discretion, be returned to Vendor at Vendor's expense. In no event shall COMCO be liable for any reduction in value of samples used in connection with any inspection or test. If any inspection or test is made on the premises of Vendor, Vendor shall, without additional charge, provide reasonable facilities and assistance for the safety and convenience of inspectors in such manner as not unduly to delay the work. Vendor further agrees to maintain adequate authenticated inspection and cost documents that relate to work performed under this Order. Such records shall be retained by Vendor after completion of the Order or as otherwise specified by COMCO and made available to COMCO upon request. Vendor agrees to supply COMCO with inspection and cost reports, affidavits, certifications or any other documents as may be reasonably requested.

9. LIMITATION OF LIABILITY: IN NO EVENT SHALL COMCO BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. COMCO's liability to Vendor shall in no event exceed the amount of this Order.

10. DEFAULT/CANCELLATION:

- (a) COMCO may, by written notice of default to the Vendor, terminate the whole or any part of this Order if the Vendor fails to make delivery of the supplies or to perform the services within the time specified herein or any authorized extension.
- (b) If this Order is terminated as provided herein, COMCO, in addition to any other rights provided in this Order, may require the Vendor to transfer the title and delivery to COMCO in the manner and to the extent directed by COMCO, any completed or partially completed supplies and any materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and manufacturing materials specifically produced or acquired for performance of this Order.
- (c) If, after notice of termination of the Order under the provision of this Section 10, it is determined for any reason that the Vendor was not in default, or that the default was excused, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 11 hereof.
- (d) The rights and remedies of COMCO provided in this Section 10 shall not be exclusive and are in addition to any other rights and remedies provided by law under this Order.

11. TERMINATION: This Order may be terminated in whole or in part at any time by COMCO. Upon notice of termination, Vendor shall submit promptly to COMCO, but in no event later than one (1) month from the effective date of termination, a claim for reimbursement for the actual costs incurred by the Vendor by reason of such termination. Such actual costs shall exclude any charges for the interest or loss of material or parts which can be delivered or diverted to others. The claim shall not exceed the pro-rate portion of this Order which is cancelled. All completed or partially completed items and all materials for which compensation is paid to Vendor upon termination shall become the property of COMCO. Such claim shall be Vendor's sole remedy for such termination.

12. WORKMAN'S COMPENSATION INSURANCE: Vendor agrees to maintain proper Workman's Compensation Insurance covering all of Vendor's employees and subcontractors performing work on COMCO's premises under this Order.

13. COMCO'S PROPERTY: Title to all property furnished to Vendor by COMCO or paid for by COMCO shall remain with COMCO. Vendor shall not alter or use such property for any purpose other than that specified by COMCO, or for any other purpose without written consent of COMCO. Vendor shall keep adequate records of such property and such records shall be made available to COMCO upon request and shall store, protect, preserve, repair and maintain such property in accordance with sound industrial practices all at Vendor's expense. Unless otherwise agreed to by COMCO, Vendor shall insure COMCO's interest in such material against loss or damage by reason of fire (including extended coverage), flood accident, theft, riot or civil commotion. In the event that COMCO's property becomes lost or damaged to any extent while in Vendor's possession, Vendor agrees to indemnify with actual replacement costs COMCO or replace such property at Vendor's expense in accordance with COMCO's request. At the completion or termination of the Order, Vendor shall request disposition instructions for all such property or the remainder thereof, whether in its original form or semi-processed form. Vendor agrees to make such property available as directed by COMCO including preparation, packaging and shipping.

14. COMPLIANCE WITH LAWS: Vendor shall in the performance of work or services under this Order, fully comply with all applicable international, federal, state and local laws, regulations and ordinances and shall indemnify and hold harmless COMCO from and against any loss, claim, damage, liability, expense or cost (including without limitation attorney's fees and court costs) resulting from failure of such compliance.

15. ASSIGNMENTS AND SUBCONTRACTS: Vendor shall not assign any proceeds or subcontract this Order or any right or obligation hereunder without the prior written consent of COMCO

16. WARRANTY: Vendor warrants the supplies delivered hereunder to be free from defects in workmanship and materials to be new and of the most suitable grade of their respective kinds, to conform to applicable specifications, drawings, samples or other descriptions given including those set forth in the Order and Vendor's sales literature to be of merchantable quality and, if of Vendor's design, to be suitable for the purpose intended, to meet all of the performance requirements, and to be free from defects in design. This warranty shall run to COMCO, its successor and assigns and the users of supplies covered by this Order. The aforesaid express warranties shall be in addition to any standard warranty or guarantee of the Vendor, shall be construed as conditions as well as warranties and shall not be exclusive. Vendor agrees to replace or correct any supplies not conforming to the foregoing requirements when notified by COMCO within two (2) years after that acceptance or within one (1) year from installation, whichever is earlier. If Vendor, upon notice of defect fails promptly to correct or replace the supplies, COMCO may do so without further notice and Vendor shall reimburse COMCO for all costs incurred thereby. No inspection, cost or approval of any kind, including approval of designs shall affect Vendor's obligation under this Section 20. Supplies that have been rejected shall not thereafter be tendered for acceptance unless the former rejection

COMCO | 98-31 Jamaica Avenue, Woodhaven, NY 11421

Office: 718.849.9000 | Fax: 775.414.5578 | comcoplastics.com



Terms and Conditions of Purchase ("Agreement")

and correction are identified. Replaced or repaired supplies shall be subject to the provisions of this Section 20 to the same extent as the original supplies, except that the warranty shall run from the last delivery date.

17. APPLICABLE LAW: These terms and conditions shall be governed by and construed in accordance with the laws of the state of New York without regard to its rules or principles regarding conflicts of laws, except that any provision under these terms and conditions that is: (a) incorporated in full text or by reference from the Federal Acquisition Regulations (FAR) or the Defense Federal Acquisition Regulations Supplement (DFAR), as the case may be; (b) incorporated in full text or by reference from any agency regulation that implements or supplements from FAR or DFAR or; (c) that is substantially based on any such agency regulation or FAR or DFAR provision, shall be construed and interpreted according to federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contracts appeals and quazi-judicial agencies of the Federal Government.

18. ASSIGNMENT: Vendor shall not assign or delegate all or substantially all of its substantive duties under this Order nor transfer to another any intellectual property right that is licensed to COMCO without COMCO's prior written consent.

19. TRADE CONTROL COMPLIANCE: Seller shall comply with all export and import laws, regulations, decrees, orders, and policies of the United States Government and the Government of any country in which the seller conduct business pursuant to the contract, including but not limited to the Export Administration Regulations (EAR) of the U.S. Department of Commerce, the International Traffic in Arms Regulations (ITAR) of the U.S. Department of State, the U.S. Custom & Border Protection Regulations, the Harmonized Tariff Schedule, and the antiboycott and embargo regulations and guidelines as set forth in the EAR and in the U.S. Department of the treasury, Office of foreign Assets Control (collectively, "Trade Control Laws").

20. FINAL ACCEPTANCE: These terms and conditions shall act as the governing clauses for this purchase order (reference sec.1- a, b). Upon acceptance and acknowledgement of this purchase order by vendor all of this document is agreed to, and supersedes any and all terms and conditions set forth by the vendor unless otherwise agreed to in writing by COMCO

COMCO | 98-31 Jamaica Avenue, Woodhaven, NY 11421
Office: 718.849.9000 | Fax: 775.414.5578 | comcoplastics.com