

PLASTOMER SUPPLY SERVICES – 2008

(Initial 2003, Revised As Needed)

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MISSION

This information is intended to increase customer satisfaction and strengthen our mutual relationship by explaining the services and/or capabilities that can be expected under certain conditions of supply. As always, Plastomer will individually address a customer request. Please initiate such requests with your Plastomer sales or service contact.

I. REQUESTS TO QUOTE

- A. We prefer ten workdays to respond to RTQ's however, we know there are occasions where faster service is needed. Simply advise our sales department of the need to expedite the quote.
- B. Quotes are subject to re-evaluation if not accepted within sixty calendar days or where unusual factors or changes have occurred necessitating a re-quote. Any part is subject to new raw material or labor costs during a re-quote.
- C. If we categorize a part(s) on a quote as non-standard it means that our AQP team would appreciate advanced notice of your intent to award the part to Plastomer so that we can perform the extensive planning activities required within Plastomers framework of customer satisfaction. We can further explain this category at customer request.

II. TOOL PURCHASE ORDERS

- A. When the customer authorizes Plastomer to build, revise or purchase items for tooling or manufacturing of the customers product, any quoted tooling will necessitate that customer purchase orders be issued. Initially this can take the form of an e-mailed or faxed purchase order number. The written tool purchase order is necessary prior to sample submission and the piece price purchase order is necessary prior to production shipments. In addition full sample approval (in writing) prior to shipping production is a standard requirement.
- B. Open questions left unresolved at the time of the tool authorization could affect sample and production timing, and result in subsequent misunderstandings over product acceptability for which Plastomer cannot be held responsible.(such as print clarifications, engineering

sign offs, exceptions etc....)

- C. Within 40 calendar days after sample submittal of Plastomer product(s), the tool costs will be invoiced. In order to do so, the written sample approval and tool purchase order will be needed.

III. PRODUCTION AND PART CHANGE PURCHASE ORDERS

- A. It is far more efficient for Plastomer if customers use blanket purchase orders and if possible, electronic releasing systems. Written releases that contain pricing add to administration costs and delay the scheduling of the requirement while pricing or terms are being verified.
- B. It is more efficient for everyone if purchase orders are issued in a timely fashion, particularly those which confirm piece price for new or revised parts.
- C. If the customers accounting policy is to require prior approval of Plastomer charges as described in sections V, VII or X, a faxed or e-mailed acceptance of those charges may be necessary before further shipments can be made.

IV. LEAD TIMES: Lead time is defined as the period between Plastomers acknowledgement of the customers supply authorization and the date parts will be ready to ship.

- A. The preferred lead time for initial sample submittals for die cut urethane products not requiring special materials or special tooling is six to eight weeks. All quotes will include anticipated lead time.
- B. Products which are quoted and cited as non-standard may require more lead time due to a potential need for advanced quality planning activities prior to production capability in conformance with Plastomer Quality Standards and customer satisfaction efforts.
- C. Lead times for designing of products or changes, will be quoted on an individual basis; however, a period of four to six weeks is considered normal.
- D. Production release lead time will be initially quoted on an individual basis, however, a period of four to six weeks is normal.
- E. Unless otherwise agreed to, customer schedule changes need to afford at least three weeks of lead time.

V. SCHEDULES

- A. It is necessary to operate with a written release from customers that:
 - affords at least the quoted lead time.
 - specifies a quantity to be shipped on a certain date.
 - is stable, over time, and does not regularly fluctuate.
 - provides firm and fabrication authorization of at least 3 weeks.

- B. Plastomer cannot operate efficiently if the freight carrier does not pick up the released quantity of parts as scheduled. Re-stocking costs for repetitive occurrences may need to be addressed.

- C. Schedule changes should be requested in writing (preferably by fax or e-mail). Such changes should show the difference between the original quantity needed and the revised quantity, for each part affected. This type of expedited service may involve service costs that will necessitate a purchase order before parts are shipped.

- D. Schedule changes or revisions that afford less than the quoted lead time cannot subsequently result in any expedited freight, downtime or other customer charges. After we have agreed to the new anticipated ship date the customer should also allow at least two days flexibility for unforeseen complications.

- E. It is very helpful to know when a part will balance out (or if it has occurred already). Please inform your Plastomer sales or service representative of balance out dates when you are aware of them. If a part balances out of production and inventory exists at Plastomer for which the customer is liable, Plastomer will provide information to support prompt payment of the obsolescence by the customer.

V. PALLETS AND MINIMUM SHIPMENTS

- A. Due to the light weight and inexpensive nature of our products, those parts which are shipped on pallets have been quoted in minimum shipment quantities that make both maximum use of the pallet capacity and achieve pack quantities that satisfy a minimum overall shipment cost in order to recover administration expenses. Customers who can only accept quantities that create partial pallet loads will be advised of the increased packaging cost and be given options to suit their needs.

- B. Parts which are not shipped on pallets will also have a minimum shipment quantity based upon standard packs once the economic minimum requirement is satisfied.

VII. FREIGHT

- A. When customers choose to designate a freight carrier, the time for pick up will need to be discussed with our shipping management. Please ask your Plastomer sales representative to help you make these arrangements. If possible, please let Plastomer designate a freight carrier for your shipments. This will allow us leverage to obtain the best service for you.
- B. Customer designated carriers who's actions create costs for Plastomer may cause these costs to be discussed with the customer along with documentation (eg. carrier misses the pick up time and caused excessive staging and unstaging labor costs, and potential expedited freight cost for another customer or the original customer.)
- C. In the event the customers designated carrier is unable to comply with the scheduled or necessary time for pick up, or is unable to pick up due to other circumstances, Plastomer will attempt to make other carrier arrangements and, if applicable, add any freight costs to the invoice for full payment by the customer. In this event, Plastomer cannot accept responsibility for expedited freight, down time, or other customer charges.
- D. When freight is expedited it will naturally be at customer expense unless there is a written prior agreement with Plastomer shipping or service personnel. Any charges or debits for expedited freight must be made within thirty days of the occurrence. When Plastomer agrees to a freight expense it will naturally only apply to the amount in excess of the normal freight cost.
- E. Plastomer reserves the option to ship audited pack or rework panels of good parts where some cavities may have been removed. Our Sales or Quality Improvement department can explain the causes of this condition.
- F. Plastomer shipment quantities can vary plus or minus 15% from the quantity the customer has ordered, although our goal is to meet the quantity ordered.

VIII. RETURNED GOODS

- A. If you have reason to question a Plastomer product please contact our quality department. They will investigate your concern promptly and proceed with appropriate action.

- B. We will alert Plastomer receiving personnel when our Sales or Quality staff have pre-approved a product for return. Returned goods, which are not pre-approved for return, are subject to non-acceptance by Plastomer receiving personnel. This may cause the goods to be returned to the customer.

- C. It is important for customers to approve Plastomer products within 30 days of receipt. Any questions of conformance beyond the 30 calendar day period will need to be mutually agreed upon.

IX. SERVICE ORDER REQUIREMENTS

- A. Customer service order requirements should specify if parts are needed individually cut, plus any other special handling, packaging, shipping or material information.

- B. Service order requirements are priced on a part by part basis and include all normal costs for small volume production including administrative, process set ups, handling and packaging.

- C. Due to the special nature of most service orders, the production lead time will be quoted on an individual basis. Responding to the request to quote should allow for ten working days.

X. DEDUCTIONS, DEBITS, REWORK AND ADMINISTRATIVE COSTS, ETC...

- A. Unless prior written agreement has been obtained by buyer, Plastomer is not liable for any incidental or consequential costs or damages. Buyers exclusive remedy under such circumstances is expressly limited to replacement of, or credit for, the purchase price value of returned products that do not conform to agreed upon specifications.

- B. If at any time the customer represents a credit risk, or their financial responsibility becomes a concern to Plastomer, new terms including but not limited to cash on delivery or prepayment of either owed amounts or future shipments may be necessary.

XI. LIABILITY

- A. Failure of Seller to make, or Buyer to take, any one or more deliveries when due, if caused by fire, storms, floods, strikes, lockouts, accidents, war, riots, or civil commotion's, inability to obtain railroad cars or raw materials, embargoes, any State or Federal regulation, law or restriction, seizure or requisition of products specified in this contract by the Government of the United States or of any state, or of any agency thereof or by reason of any compliance with a demand or request for such product for any purpose for national defense, or any other cause or contingency beyond the reasonable control of said party (whether or not of the same kind or nature as the causes or contingencies above enumerated) shall not subject the party so failing to any liability to the other, and the total contract quantity shall be reduced to the extent of the deliveries so omitted.
- B. Plastomer Corporation reserves the right to modify data for advertised materials at any time. The information contained herein is accurate at the time of printing, however, since the conditions of product use are beyond our control, no guarantees are made nor implied and the customer is solely responsible for the analysis, approval and continuing use of Plastomer supplied materials for inclusion in their product(s).