PLASTOMER CORPORATION - SELLER CONSIDERATIONS FOR CURRENT OR POTENTIAL BUYERS March 5, 2019

If buyer has purchase orders that also refer to terms and considerations that include references to the topics listed below, or topics very near in the same meaning, those topics will need to be specifically negotiated with Plastomer upper management.

If buyer issues orders for parts/products from seller or its affiliates, the shipment of, or commencement of work, on parts/products by seller does not indicate contractual agreement with any terms or conditions unless signed in writing by appropriate Plastomer upper management.

The purpose of these considerations is to satisfy customer expectations with clearly defined and mutually agreed actions and procedures regarding specific requirements.

Considerations that require specific agreement include:

- 1. Price maintenance without allowable changes for good cause.
- 2. Restrictions against seller terminating responsibility for supplying the product with sufficient notice.
- 3. Seller to be able to respond to changes in delivery schedules, quantities, locations or packaging without the ability to pass on costs of satisfying such demands.
- 4. Seller to support costs of quality issues, including administrative, inspection, and sorting charges without its prior agreement and written approval.
- 5. Seller to allow customers or its representatives to have access to seller and affiliates premises, technology, property, documents, equipment, tools, financial records, process information or any other seller controlled information, without sellers prior notice and written approval.
- 6. Any demand that interferes with Plastomer's ability to operate efficiently for all of its customers, and interferes with our ability to maintain solid financial stability.

Notations:

- 1) All quotes from Plastomer Quotation are subject to subsequent agreement on applicable terms and conditions, which must be in writing and signed by both Plastomer and Customer. Plastomer rejects and shall not be bound by any terms proposed by Customer unless and until accepted in writing. Neither preparation for performance nor commencement of supply shall constitute acceptance of Customer's terms regardless of when those terms are revealed or mentioned.
- 2) Closed cell foams/rubbers may have factory functional splices, voids, slight color variations and other visual defects. Unless otherwise noted, parts with these conditions are considered acceptable and will be shipped.
- 3) Plastomer Corporation is not design responsible. User is responsible for determining whether product is fit for a particular purpose and suitable for users' method of application.

- 4) Any changes to supply requirements may result in updates to the quote (including both piece price and tooling changes).
- 5) Quote to be re-quoted and/or finalized once all drawings and specifications are provided from customer.
- 6) Unless otherwise indicated, all parts are quoted using a "cluster" or "kiss-cut" panel for assembly efficiency and economic advantage. Current technology in die-cutting is not capable of zero defects using this methodology, though the cumulative PPM is less than 50 for actual defective cuts. If you would prefer individual cut parts, with no defects in die-cutting but at a higher cost, please notify Plastomer in writing of your requirement. If quoted as perforated panels, parts may separate during handling and/or shipping.
- 7) If the appropriate box is checked <u>yes</u>: reductions to be initiated after one year of quoted volume production.
- 8) If package quote, should you decide to award only a portion of this proposal, Plastomer reserves the option to review before acceptance.
- 9) Please be aware that extra time is desirable before production for AQP activities. If awarded, please give us advance notice.
- 10) If insufficient returnable containers at time of manufacture, we will use and ship in expendable containers in full pallet loads at an additional 3% piece price cost. No repacking.
- Concavity permissible on all die cut edges, outside cavities will experience more variation.
- Tolerance: per RMA rubber handbook (MO-1-2005) thickness per Table 30 ATH 4, length and width per Table 31 AL3 (AL4 will apply if without adhesive). Per specification parts may lose up to 15% of thickness after processing and packaging, the part should be designed to be accepted for same. Print tolerances need to be revised if not adhering to RMA standards or be mutually agreed upon.
- Quotes include further information found in Plastomer's Supply Services Document and Advanced Quality and Design Planning Guide. Both are available from our Sales or Quality Department. Some can be downloaded from Plastomer's website.
- Please also see the Design Guide and Services pages, which along with these Seller Considerations and Notations, become a condition of customer acceptance of any Plastomer quotation.

Please contact George Baughman, Vice President of Sales and Marketing in order to initiate discussions in this regard.