

Serigraph Inc. Terms and Conditions

I. WARRANTY. Samples, if any, submitted and/or the material covered hereby represent the material Seller believes to be a suitable material for the application based on information furnished to Seller. Seller's products are sold without guarantee for any particular use but with the understanding that Customer will test this material in actual use and determine for itself its adaptability to the intended uses. Materials ordered, based on sample submitted, will correspond with the sample in quality.

Seller warrants the products to be free from defects in material and workmanship for a period of one (1) year from date of shipment by Seller when stored at 72°F ± 10°F, but Seller's obligation under this warranty is limited to replacement of the product if shown to Seller's satisfaction to have been defective at the time of sale. Customer acknowledges that, as to any in-mold products, only defects present in the insert prior to molding will be the responsibility of Seller under the foregoing warranty and that defects occurring during the molding process or non-printing defects identified after the molding process will be solely Customer's responsibility, unless otherwise agreed in writing by Seller, and Seller shall have no liability or obligation related thereto.

THIS WARRANTY IS IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE, AND OF ANY OTHER OBLIGATIONS OR LIABILITY ON OUR PART. UNDER NO CIRCUMSTANCE WILL SELLER BE LIABLE FOR ANY INJURY, LOSS, DAMAGE OR EXPENSE OF ANY KIND, DIRECT OR CONSEQUENTIAL, ARISING IN CONNECTION WITH USE OR INABILITY TO USE THE PRODUCTS AND CUSTOMER ASSUMES ALL RISK AND LIABILITY OF EVERY NATURE IN CONNECTION THEREWITH.

II. DELAYS. Seller will not be liable for any delay in the performance of orders or contracts, or in the delivery or shipment of goods, or for any damages suffered by Customer by reason of such delay, when such delay is, directly or indirectly, caused by, or in any manner arises from fires, floods, accidents, riots, terrorism, acts of God, war, governmental interference or embargoes, strikes, labor difficulties, shortage of labor, fuel, power, materials or supplies, transportation delays, or any other cause or causes (whether or not similar in nature to any of these hereinbefore specified) beyond Seller's control.

III. TERMINATION OR CANCELLATION. In the event Customer terminates or cancels all or any part of the work covered by Customer's order, Seller shall be entitled to all costs of specially ordered materials which cannot be returned and all pro rata compensation for the amount of labor and material in process and work completed as of date of such termination or cancellation, including a reasonable allocation of overhead.

In addition to above, Serigraph and customer will have the right to terminate any or all purchase orders and releases if the other party (1) becomes insolvent, (2) becomes the subject of proceedings under any law relating to bankruptcy, receivership or the relief of debtors and, in the case of involuntary proceedings, the petition is not dismissed, stayed, bonded or discharged within 60 days of the commencement of the proceedings or (3) admits in writing its inability to pay its debts as they become due or fails to make cash payments when due and such failure to pay is not corrected within 10 days, (4) is sold or acquired.

IV. PATENTS, ETC. Customer represents and verifies to Seller that all material furnished for reproduction (including all samples) does not infringe upon any patent, copyright, trademark, tradename, logo, design patent or other protected right under law, is not libelous, and does not otherwise violate the rights of other persons, or constitute a violation of any statute, law, ordinance or regulation of any kind of government, and Customer agrees to indemnify and save Seller and its affiliates, employees, directors and officers harmless from all losses, damages and expenses, including attorneys' fees, which Seller may suffer as a result of any claim of such violation or alleged violations.

V. INSPECTION AND CLAIMS. All shipments shall be inspected by Customer on delivery. All items delivered shall not be altered or used if a return credit is requested. Notification of defect shall be made in writing within sixty (60) days from receipt date at the customer facility. Written permission with an RMA number must be obtained from Seller's office to return any goods furnished by Seller. Returns must be made within ten (10) days after receipt of the RMA number or all claims of defect shall be waived. Customer has 90 days from date of RMA issuance to use the RMA for credit. If credit is not taken by the customer within the ninety (90) days, the RMA will be cancelled. LINE ACCUMULATIONS: Serigraph uses a line accum process to handle low occurrence cosmetic defects (10 parts per day) due to the nature of the screen printing process and visual inspection process. These line accum parts are considered non-PPM line accum parts and no corrective actions will be completed on these parts.

VI. PROOFS AND COPY. Seller shall not be responsible for any errors in printing layout or workmanship if said work is done in conformity with any approved copy or proof provided by or at the request of Customer. Customer's approval can be given either in writing or orally in the normal course of business.

VII. ESCALATOR CLAUSE. If prior to completion of the work hereunder, the cost of performance is increased as a result of changes in direct or indirect labor costs, increased costs of material, or as a result of increases in government regulations, taxes, customs, duties, tariffs and other governmental or quasi-governmental charges, the price stated herein will be adjusted in proportion to such increase on the cost of performance.

VIII. OVERRUNS AND UNDERRUNS. Variations in quantity of ten percent (10%) over or under quantities ordered shall constitute acceptable delivery unless otherwise required by Customer prior to entering order.

IX. TERMS. Net cash thirty (30) days from ship date. Price F.O.B. Shipping Point, Freight Collect unless otherwise stated in the proposal. Title and possession shall pass to Customer F.O.B./Ex Works Shipping Point unless otherwise stated in the proposal. All terms are subject to Seller's Credit Department approval.

X. NO AUDIT RIGHTS. Customer acknowledges that Seller's business and financial records are confidential and that customer shall not acquire any right to inspect or review any of such records by reason of Customer's purchase order or other Customer Documents, if any, or otherwise.

XI. GOVERNING LAW. By mutual consent of both parties, the applicable law relative to this agreement and all disputes arising hereunder shall be the laws of the State of Wisconsin and all claims hereunder shall be subject to the jurisdiction of the state and federal courts located in Milwaukee County, Wisconsin.

XII. ARTWORK AND EDITING COPY. The price quoted does not, unless otherwise stated herein, include the editing of copy. All artwork submitted by Customer is subject to Seller's approval. If retouching and/or rework are necessary, Customer will be notified of approval and billed at cost.

XIII. TOOLING, NEGATIVE AND PLATE CHARGES. Any tools, negatives, or plates will be stored free of charge by Seller while being used in production. The tools, negatives or plates will be retained after the last day of use, and a charge may be added for storage during this time. After eighteen (18) months following the date of last use, they will be destroyed unless other specific written agreements are made. Tooling life shown on this quote is strictly an estimate. Tooling extending beyond its estimated useful life is the responsibility of the customer to repair or replace when recommended by Seller. Edge quality and part size cannot be guaranteed on tools over useful life.

XIV. QUANTITIES. Prices in relation to a given quantity apply to a continuous production run of that quantity unless specifically otherwise stated, such continuous run being at Seller's discretion. In case quantities are reduced or shipping instruments necessitate runs of lesser quantities, the price applicable to the lesser quantity shall apply. If lesser quantity is not covered by quotation, adjustment of price shall be made under formula regularly used by Seller. All product manufactured per the quoted Minimum Order Quantity (MOQ) must be shipped within 90 days after receipt of purchase order; unless a customer contract supersedes this established Term and Condition.

XV. MATERIAL SPECIFIED. When Customer specifies the material to be used by Seller, Customer shall be responsible if the material specified is defective, unsuitable or does not hold its size, shape or form during or after Seller's processing or delivery. Seller assumes responsibility only for Seller's own workmanship.

XVI. SHIPMENT. In ordering, Buyer should state explicitly the method of shipment preferred and by what carrier. In the absence of shipping directions, Seller will use discretion in forwarding the goods. Seller assumes no responsibility for placing of valuations upon shipment unless specifically requested to do so by Buyer. If Seller's shipper and account number are not used, freight charges will be added to the invoice and buyer agrees to pay the full invoiced amount.

XVII. TAXES. All list prices and quotes are stated Ex Works Serigraph and exclude all sales and use, VAT and other taxes, import/export customs and duties, tariffs and other governmental charges, and transportation costs unless Serigraph specifically agrees in writing to reimburse or pay them. Serigraph reserves the right to reprice orders to account for any of the foregoing.

XVIII. PRECEDENCE. Buyer acknowledges that these terms take precedence to any Buyer terms on Buyer's PO or incorporated by reference. By placing PO with Seller, Buyer agrees to incorporate these terms without modification.