



TERMS AND CONDITIONS OF SALE

These Terms and Conditions of Sale ("Terms") apply to the sale of all products by Panel Processing Inc. and its subsidiaries, excluding 1010 Technology Center Inc. In these Terms, "Seller" means Panel Processing Inc., and the "Customer" means the buyer of the goods.

1. ACCEPTANCE OF SELLER'S TERMS AND CONDITIONS OF SALE.

Customer has read and understands these Terms. Customer agrees that (a) Customer's written acceptance of these Terms (including Customer's issuance of a purchase order), (b) Customer's acceptance of any goods or services from Seller, or (c) Customer's payment for any goods or services from Seller constitutes Customer's acceptance of these Terms as the sole terms and conditions governing the sale by the Seller to Customer. Customer expressly acknowledges and agrees that all terms and conditions proposed by Customer which are different from or in addition to these Terms are unacceptable to Seller, are hereby expressly rejected by Seller, and shall not become a part of the contract between Customer and Seller. No variation of these Terms shall be effective unless expressly agreed to by Seller's President or his designated representative in writing.

2. PRICES.

- (a) Published prices are not unconditional offers to sell, and are subject to change without notice.
- (b) Seller's stated prices are F.O.B. shipping point and, unless otherwise specified, do not include the cost of delivery, documentation, the cost of special packaging, unloading, uncrating, installation and/or final onsite adjustment. Such costs may be prepaid and billed as a separate invoice item.
- (c) Seller's prices do not include any state or other sales or use taxes. Seller may add the amount of any such tax to the invoice. Customer shall be liable for all such taxes, whether or not invoiced by Seller. If an exemption certificate provided by Customer is determined to be invalid, or if Customer fails to timely furnish a valid exemption certificate, notarized affidavit, or other necessary documentation, any resulting sales, use, import, export, or similar excise tax may be billed to Customer.
- (d) Prices quoted by Seller are subject to change thirty (30) calendar days after quotation. Seller reserves the right to withdraw quoted prices by written notice.
- (e) On selected products, the Seller reserves the right to include up to 5% B-Grade (Off-grade) at discounted pricing. Any alterations require written agreement from the Seller and the Seller reserves the right to modify pricing to reflect the alteration.
- (f) On selected products, the seller reserves the right to ship overages up to 5%. Any alteration to this requires written agreement from the Seller and the Seller reserves the right to modify pricing to reflection the alteration.

3. PAYMENT TERMS.

All orders are subject to Seller's evaluation of Customer's credit. Provided the Seller in its sole discretion deems the Customer to be credit worthy. Seller reserves the right to reject and/or suspend delivery of any order at any time if Seller determines the Customer's credit to be unfavorable. If Seller for any reason in its sole discretion feels insecure about the Customer's willingness or ability to perform, Seller shall have the unconditional right to require payment in full advance of delivery.

4. DELIVERY.

- (a) Delivery dates are estimates only, and time is not of the essence. Although Seller shall endeavor as far as practicable to deliver the Product adhering to the delivery schedule, Seller may in its sole discretion cancel or modify all delivery dates and Seller shall not be liable to Customer for any loss or damage whatsoever, including loss of profit or any direct, indirect, special, incidental, consequential or other damages, caused by such cancellation, modification, late delivery or failure to deliver.
- (b) Except where specifically agreed to the contrary in writing by Seller, delivery to Customer shall be F.O.B. shipping point and risk of loss shall pass to Customer upon delivery to the carrier.

5. CHANGES AND CANCELLATIONS.

Customer requested changes and cancellations are subject to approval by Seller. Every reasonable effort will be made to accommodate these requests without additional cost to the customer. Any manufacturing or engineering costs incurred will be charged to Customer.

6. FREIGHT CLAIMS.

- (a) **Loss of Freight**
It is the Customer's responsibility to verify the correct number of cartons or piece count at the time of delivery. Any exceptions must be noted on the carrier's delivery receipt. Failure by the Customer to note the visible loss may result in the carrier delaying or refusing to honor the freight claim.
- (b) **Damage of Freight**
Damage to product received must be noted on the carrier's delivery receipt at the time of delivery. It is the Customer's responsibility to ensure freight is inspected for visible damage and that the number of pieces damaged is marked on the carrier's delivery receipt. Failure by the Customer to note visible damage at the time of delivery may result in the carrier delaying or refusing to honor the freight claim.
- (c) **Concealed Damage**
If product arrives in apparently good condition, but there is concealed damage, it is the Customer's responsibility to contact Seller within 15 calendar days from receipt of product. Customer must keep the product and packaging for an inspection by the carrier. Failure by the Customer to handle a concealed damage claim in this manner may result in the carrier delaying or refusing to honor the freight claim.

7. RETURNED GOODS.

No product may be returned without advance written approval of an authorized representative of Seller. Returned Merchandise requests must be submitted within 90 days after receipt of product, and will only be considered for product in saleable condition and in the original packaging. A handling and restocking charge of 25% of the invoice price will be charged for all approved returns. Customer will forward all approved returns to Seller freight prepaid and all items must be properly packaged.

8. WARRANTY.

SELLER WARRANTS THAT PRODUCTS SOLD WILL MEET AGREED UPON SPECIFICATIONS AND WILL BE FREE FROM SIGNIFICANT DEFECTS FOR A PERIOD OF 90 DAYS FROM DATE OF SHIPMENT TO CUSTOMER. WE MAKE NO OTHER WARRANTY, EXPRESSED OR IMPLIED, UNLESS IN WRITING SIGNED BY AN OFFICER OF THE COMPANY, AND ALL OTHER WARRANTIES, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED. SELLERS LIABILITY AND OBLIGATION FOR DEFECTIVE PRODUCTS OR IMPROPER PERFORMANCE IS LIMITED SOLELY TO REPLACEMENT OF THE DEFECTIVE PRODUCT OR REFUND OF THE PURCHASE PRICE, AT OUR OPTION, AND SHALL NOT INCLUDE ANY LIABILITY FOR DIRECT, INDIRECT OR CONSEQUENTIAL DAMAGES OR DELAY IN PERFORMANCE.