

**Bangor Plastics, Inc**  
**CONDITIONS OF PURCHASE**

**ENTIRE AGREEMENT** – This Purchase Order is an offer to Seller to enter into the purchase agreement it describes and shall be the complete and exclusive statement between the parties for this purchase. Seller shall accept the offer in writing or by beginning work hereunder. Modifications, additional, or different terms proposed by Seller are not part of this agreement in the absence of Purchaser's written acceptance.

**TRANSPORTATION AND OTHER CHARGES** – No charges of any kind, including but not limited to taxes and expenses incurred for boxing or insurance will be allowed unless specifically agreed to by Purchaser in writing. Price will cover net weight of material, unless otherwise specified herein. Transportation charges for goods ordered delivered destination shall be prepaid.

**PURCHASER'S COMMITMENT** – Purchaser is not committed to purchase any goods specified in this Purchase Order except for such quantity as may be specified in a Purchase Order issued hereunder by Purchaser. Such Purchase Order may, at Purchaser's discretion, either be set forth on the front of this form or on a separate Purchase Order Form. The term "Purchase Order" is used in this form and in any sequence of Purchaser's forms of which this form may be part is interchangeable with the term "Arrival Schedule".

**PURCHASER'S PURCHASE ORDER** - Unless otherwise specifically agreed to in writing by Purchaser, Seller shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet Purchaser's Purchase Order. It is Seller's responsibility to comply in all respects with such Purchase Order by causing timely shipment of the proper quantity of goods. Goods shipped to Purchaser in advance of schedule as well as shipments exceeding or otherwise varying from the agreed quantities may at Purchaser's election be returned to Seller at Seller's expense.

**DELAYS** – Neither Seller nor Purchaser shall be liable for any delay or failure to perform its respective obligations, which delay or failure results directly or indirectly from any cause or causes beyond the reasonable control of the affected party. However, if for any reason Seller does not substantially comply with Purchaser's Purchase Order, Purchaser, in addition to such other rights, remedies and choices as it may have by contract or by law, may at its sole option either submit a revised Purchase Order or terminate this Purchase Order without liability to Seller thereof. If Purchaser submits a revised Purchase Order which provides, or if Purchaser otherwise directs, that Seller ship by a method other than that indicated on the front of this Purchase Order, Seller will pay any additional transportation charges incurred as a result thereof.

**REJECTIONS** – If any of the goods ordered are found at any time to be defective in material or workmanship, or otherwise not in conformity with the requirements of this Purchase Order, including any applicable drawings and specifications, Purchaser, in addition to such other rights, remedies and choices as it may by contract or by law, at the option and sole discretion may: a) reject and return such goods at Seller's expense; b) require Seller at its sole expense to replace the rejected goods to a revised Purchase Order submitted by Purchaser, or c) require Seller to inspect the goods and remove and replace non-conforming goods with goods that conform to this Purchase Order. If Purchaser elects option c) and Seller fails to promptly make the necessary inspection, removal and replacement, Purchaser at their option inspect and sort goods. Seller shall pay the cost thereof not to exceed \$75/man-hour, and any other expenses accrued (including, but not limited to Travel, Accommodations, etc.).

**PURCHASER'S PROPERTY** – Unless otherwise agreed to in writing by Purchaser, all tools, equipment, and material furnished to Seller by Purchaser or paid for by Purchaser, as well as replacements therefore and attachments, thereto, shall be and remain the property of Purchaser. Such property and whatever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by Seller as "Property of PURCHASER" shall be safely and separate and apart from Seller's property and shall be properly maintained by Seller at their expense under conditions of normal wear. Seller shall not substitute any other property for Purchaser's property and shall not use Purchaser's property except in filling Purchaser's Purchase Order. Such property while in Seller's custody or control shall be held in Seller's risk, shall be kept insured by Seller, at Seller's expense in an amount equal to the replacement cost with loss payable to Purchaser and shall be subject to inspection by Purchaser upon reasonable notice and to removal at Purchaser's written direction. In the event of removal/return to Purchaser, Seller shall prepare it for shipment and shall deliver it to Purchaser in the same condition as originally received or manufactured by Seller, reasonable wear and tear expected.

**CHANGES** – Purchaser at any time, by written order, may change the design (including drawings, materials and specifications), processing, method of packing and shipping, and destination. If any such change affects the cost or timing, it shall be the Seller's responsibility to make every effort to minimize any changes. Purchaser shall not adjust the purchase price and delivery schedule equitably, by written amendment. Seller shall not make any change in the design, processing, packing, shipping or place of delivery without Purchaser's written approval.

**NON-ASSIGNMENT** – Seller shall not assign this Purchase Order any interest, thereon, any right or obligation, created thereby or any payment due or to become due thereunder without Purchaser's written consent. Any attempt by Seller to make such assignment shall be null and void and any such assignment by operation of law shall give Purchaser the option to terminate the Purchase Order without further liability.

**SET-OFF** – Purchaser shall have the right at all times to set off any amount owing from Seller to Purchaser, any component of Purchaser or any of its affiliated companies against any amount payable at any time by Purchaser in connection with this Purchase Order or Purchaser's Purchase Order.

**GOVERNMENT AND INDUSTRY COMPLIANCE** – Seller agrees to comply with all Federal, State and Local law, Executive Orders, Rules, Regulations and Ordinances, which may be applicable to Seller's performance under that purchase order. Seller agrees to comply with any quality management requirements outlined in the Purchase Order. Seller agrees to utilize suitable inspection equipment, which has been calibrated to a nationally recognized standard. Seller agrees to utilize suitably trained and qualified personnel to satisfy the requirements of the Purchaser's Purchase Order.

**APPLICABLE LAW** – This Purchase Order shall be construed in accordance with and governed by the law of Purchaser's principal place of business, and any dispute resolution arising from the Purchase Order shall be brought only in that jurisdiction, without regard to any provisions of such jurisdiction, conflicts of law to the contrary.

**CONFIDENTIAL OR PROPRIETARY INFORMATION** – Any knowledge or information which the Seller shall have disclosed or may hereafter disclose to the Purchaser, and which in any way relates to the goods or services covered by this Purchase Order, shall not, unless otherwise specifically agreed to in writing by the Purchaser, be deemed to be confidential or proprietary information; and shall be acquired by the Purchaser free from any restrictions (other than a claim for patent infringement) as part of the consideration for this Purchase Order.

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**WARRANTIES** – a) Seller warrants that all goods sold hereunder or pursuant hereto will be free of any claim of any nature by any third person and that Seller will convey clear title thereto to Purchaser as provided hereunder. B) Seller warrants and represents that all goods sold hereunder or pursuant hereto will be of merchantable quality free from all defects in design, workmanship, and materials, and will be fit for the particular purpose for which they are purchased and that the goods are provided in strict accordance with the specifications and/or to samples, drawings, designs or other requirements (including performance specifications) approved or adopted by Purchaser. C) The warranties contained in this Section shall be in addition to and shall not be construed as restricting or limiting any warranties or remedies of Purchaser, expressed or implied, which are provided by contract or law. Any attempt by Seller to limit, disclaim or restrict any such warranties or remedies of Purchaser by acknowledgement or otherwise, in accepting or performing this Purchase Order shall be null, void and ineffective without Purchaser's written consent.

**PATENTS** – Seller shall defend any suit or proceeding brought against Purchaser of as customers so far as based on a claim that any article or apparatus, or any part thereof constituting goods furnished under this Purchase Order, as well as device or process necessarily resulting from the use thereof constitutes an infringement of any patent of the United States, if notified promptly in writing and given authority, information and assistance (at Seller's expense) for the defense of name, and Seller shall pay all damages and costs awarded therein. In case said article or apparatus, any part thereof, or any device or process necessarily resulting from the use thereof is in suit held to constitute infringement and the use of said article or apparatus, part or device is enjoined, Seller shall, at its own expense and as its own option, either procure for Purchaser the right to continue using said article or apparatus, part or device; or replace same with non-infringing article or apparatus; or modify it so it becomes non-infringing, or remove said article or apparatus and refund the purchase price and the transaction and installation costs thereof. The foregoing states the entire liability between Seller and Purchaser with respect to patent infringement involving said article or apparatus or any part thereof.

**INDEMNIFICATION AND INSURANCE** – a) If Seller's work under this Purchase Order involves any operation by Seller on the premises or Purchaser or use of its customers, Seller shall take all necessary precautions to prevent injury or death to persons or damage to property during such operations. Seller shall indemnify, defend and hold harmless Purchaser and its consumer from and against all claims, which may result in any way from any act or conclusion of the Seller, its agents, employees, or subcontractors arising out of such operation. B) Seller will further defend, indemnify and hold Purchaser harmless from and against any and all claims by third parties for injury or death to persons or damage to property caused in any manner by Seller's performance under this Purchase Order or by Purchaser's use of the goods sold hereunder. C) Seller will maintain and upon request will provide evidence of such Public Liability, Property Damage and Employee's Liability and Compensation Insurance as Purchaser may from time to time determine to be adequate to protect Purchaser under this Section and against any claims under applicable Worker's Compensation and Occupational Health and Safety Acts.

**INSOLVENCY** – If Seller ceases to conduct its operations in the normal course of business (including inability to meet its obligations as they mature), or is any proceeding under the bankruptcy or insolvency laws is brought by or against Seller, or receiver for Seller is appointed or applied for or an assignment for the benefit of creditors is made by Seller. Purchaser may terminate this Purchase Order without liability except for deliveries previously made or for goods covered by this Purchase Order then completed and subsequently delivered in accordance with the terms thereof.

**WAIVER** – The terms of this Purchase Order cannot be rescinded, modified or waived except in writing, signed by an authorized representative of the party to be charged.

**FOREIGN PURCHASES** – a) If the front side indicates Purchaser is Importer of Record, the following applies to all transactions involving imported goods: ANTI-DUMPING – Seller warrants that all sales made hereunder are or will be made at not less than fair value under the United States Anti-dumping Law (19 U.S.C. Sec 160 ct seq) and Seller will indemnify, defend and hold Purchaser harmless from and against any costs or expenses (including but not limited to any anti-dumping duties which may be imposed) arising out of or in connection with any breach of the warranty. B) If front side indicates Seller is importer of Record, the following apply to all transactions involving imported goods: IMPORTER OF RECORD – Seller agrees that Purchaser will not be a party to the importation of goods, that the transaction(s) represented by this Purchase Order will be consummated subsequent to importation, and that Seller will neither cause nor permit Purchaser's name to be shown as "importer of record" on any customs declaration. DRAWBACK – Upon request and where applicable, Seller will provide Purchaser Customs Form 7543 entitled "Certificate of Delivery" properly executed.

**AUDIT AND INSPECTION** – Seller agrees to allow Purchaser, and/or the Purchaser's customer, at reasonable times, to inspect the facility, records, goods, materials and any property of Purchaser covered by this Purchase Order. Purchaser's inspection shall not constitute acceptance of any work-in-process or finished goods.

**SEVERABILITY** – If any term of this Purchase Order is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such terms shall be deleted to the extent necessary to comply, and the remaining provision of this Purchase Order shall remain in full force and effect.

**TERMINATION** – Purchaser may at its option terminate all or any part of this Purchase Order, at any time and/or any reason, by giving written notice to Seller. Upon such termination, Purchaser will pay Seller the following amounts without duplication: a) the order price for all goods or services which have been completed in accordance with this Purchase Order and not previously paid for; b) The actual costs for work-in-process and raw materials incurred by Seller under this Purchase Order to the extent such costs are reasonable in amount and are properly allowable in the terminated portion. Payments made shall not exceed the aggregate price payable for the finished goods, which would be produced prior to termination.

**INVOICE** – Seller shall furnish invoices for goods and services purchased in this Purchase Order. Seller shall include on each invoice the number of this Purchase Order, Purchaser part number, item description, quantity shipped, shipment date, packing slip number, any appropriate shipment information and Seller part number if applicable.

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**PURCHASE ORDER CALLOUTS-** Below is Bangor plastics current set of conditions called out on each purchase order. The rest of the conditions of purchase called out in this document are supplemental to the brief condition set listed on the purchase order.

**“CONDITIONS OF ACCEPTANCE OF A P.O. VENDOR STATES** – Supplier will make no change to the manufacturing process of this item without prior notification to Bangor Plastics. Supplier will notify Bangor Plastics of nonconforming processes, product or services and obtain approval for their disposition. Supplier will insure the prevention of the use of counterfeit parts. Supplier will flow down applicable requirements including customer requirements. F.O.D. Standards are adhered to. Required Record Retention 11 Yrs. (for product on PO), unless otherwise approved by the purchaser. Right to access by Bangor Plastics, their customer and regulatory authorities to applicable areas of the facilities at any level of the supply chain involved in this Purchase Order and to all applicable records. Vendor or its principals are not debarred, suspended or proposed for debarment by the United States Government. In an effort to maintain a high standard of Quality, Bangor Plastics Inc. requires suppliers to ensure its organization understands their contribution to product and/or service conformity as well as contribution to product safety while understanding the importance of good ethical behavior so that customer requirements are met. Acknowledgement 24 hours to [bangorplastics@bangorplastics.net](mailto:bangorplastics@bangorplastics.net) and send required certifications to: [bangorplastics@bangorplastics.net](mailto:bangorplastics@bangorplastics.net) and [quality@bangorplastics.net](mailto:quality@bangorplastics.net). It is the sellers responsibility to view supplemental conditions of purchase at [www.bangorplastics.net](http://www.bangorplastics.net) “

**Supplier Performance-** The description below is the method in which Bangor Plastics will monitor and control supplier performance.

Bangor Plastics requires suppliers to maintain a 3 rating in each category below. The table below is a guide of how Bangor Plastics monitors and evaluates suppliers for approved use. If your ratings have declined below the acceptable limit, since the last reporting period, we are requesting that you take action to improve your performance and respond with your Root Cause, Correction and Corrective Action.

Metric	Criteria	Rating
Delivery Requirement:	*3 days early 0 days late	3
	*3 days late	2
	*7 days late	1
Quality Requirement:	< .25% Nonconforming	3
	< .50% Nonconforming	2
	> .50% Nonconforming	1

\* = ONLY Working Business Days are counted

A supplier listed on the Active Supplier List must maintain a rating of 3 for Quality and On-Time Delivery for a supplier to continue to remain on the Frequently Used supplier list, or a Corrective action will be required to maintain an achieve full approved status.