

CNR Group, LLC

TERMS AND CONDITIONS OF SALE

These Terms and Conditions of Sale (“**Terms and Conditions**”) apply to all quotations made and/or agreements entered into by and between the Company and the Customer (the “**Parties**”).

1. Defined Terms:

- a. “**Customer**” means any individual, entity, or organization that contracts with the Company for sales or services of any kind;
- b. “**Company**” means CNR Group, LLC;
- c. “**Quote**” means an itemization of the Company’s estimated total cost to complete a particular job on the Customer’s behalf.
- d. “**Approved Order**” means a Quote which was sent to the Customer and accepted in writing by both Parties.
- e. “**Parts**” means plastic items produced for Customer in accordance with an Approved Order;

1. DURATION AND APPROVAL OF QUOTE: Quotes provided to Customer are effective for thirty (30) days from their date of issuance, unless otherwise agreed in writing between the Parties. No Quote shall become an Approved Order until a written purchase order from Customer is received and acknowledged by Company and any down payments required have been received.

2. DELIVERY SCHEDULES & SUBCONTRACTING: Delivery schedules shall be computed from the date of the Approved Order, or in the case of special items, from the date the Company receives completed information from the Customer necessary to proceed with design and manufacture of the items or Parts detailed in the Approved Order. The Customer agrees that the Company may subcontract the creation of any Part or item called for in an Approved Order to a third party, at its sole discretion. Further, the Customer agrees that the Company may adjust the delivery schedule to account for delays or shortages caused by third party subcontractors or material suppliers and that the Company shall not be liable to the Customer for any loss or damage caused by such shortage or delay.

3. DESIGN CHANGES: The Company is not required to accept design changes from Customer for any item or Part in the Approved Order. The Company may re-quote prices in the event of Customer changes in design and/or specifications prior to acceptance for production. The Customer shall pay the Company for tooling modification required by such changes at Company’s then prevailing shop rate or firm quoted rate. Part design changes suggested by Company and accepted by Customer shall be incorporated into Customer’s part drawings and Company shall have no responsibility as to fit or function of Parts manufactured in accordance with the modified design.

4. CANCELLATION: Any request for cancellation, modification or deferment of shipment of any Approved Order must be submitted in writing to Company. The Customer shall bear all the costs, losses, expenses, or other amounts, incurred by the Company in complying with said request. The Company shall not honor the Customer’s request until the Customer has paid said amounts in full.

5. DELIVERY: Customer must arrange for delivery of all Approved Orders. The Company shall not be responsible for any damage or loss to an Approved Order incurred during delivery.

6. DELAYS OUTSIDE OF COMPANY’S CONTROL: The Company shall not be responsible for any losses, expenses, or damages incurred by Customer for delays or interruptions caused by strikes, accidents, material shortages, disasters or other events which are beyond the Company’s control.

7. WARRANTY:

- a. Warranty Provided by Company. The Company warrants to Customer that the tooling and Parts delivered pursuant to these Terms and Conditions shall conform to their applicable specifications and designs, and shall be produced in a workmanlike manner. Unless otherwise specified, the Company shall furnish Parts to Customer in accordance with the Products Standards of the Society of Plastic Engineers, or its successors.
- b. Company's Liability for Breach of Warranty in (a). The liability of the Company for breach of the warranty in sub (a) above is limited to repair or replacement as described in Section 8 below.
- c. NO OTHER WARRANTIES. EXCEPT AS SET FORTH IN THESE TERMS AND CONDITIONS, THE COMPANY MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY SPECIFICALLY DISCLAIMS AND EXCLUDES ANY WARRANTY AS TO THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY TOOLING OR PARTS COVERED HEREUDNER OR IN AN APPROVED ORDER.

8. REPAIRS AND REPLACEMENT: Parts shall be considered accepted by Customer unless a written rejection, containing a complete explanation of the nature of the defect, is received by the Company within thirty (30) days of shipment of the Parts. The Company shall not be responsible for any costs incurred by Customer for the repair, replacement, or inspection of any parts received.

9. SHIPPING TOLERANCES: The Company may ship orders to Customer at 10% under or over the Customer's specified order quantities unless specific limits are specified in an Approved Order, or by the Customer when requesting a Quote or when placing an order for additional Parts.

10. POSSESSORY LIEN: The Company shall have a possessory lien against any Parts produced, or materials procured, for Customer as security for the failure of the Customer to pay any balance due to the Company.

11. PAYMENT TERMS:

- a. Payment for Parts. Parts shall be invoiced upon shipment and unless stated otherwise herein, Customer shall deliver payment in full to the Company within (30) days from date of invoice.
- b. New Tooling Programs Ordered through US Based Tool Suppliers. Any new Tooling ordered by a Customer who has never contracted with the Company shall be paid by the Customer as follows: i) 80% down payment due upon acceptance of the Approved Order; ii) 20% due thirty (30) days from the first sample shipment. Any new tooling ordered by an established Customer who has a proven payment history with the Company shall be paid by the Customer as follows: i) 50% down payment due upon acceptance of the Approved Order; ii) 50% due thirty (30) days from the first sample shipment.
- c. New Tooling Programs Ordered through Asia Based Tool Suppliers. Any new Tooling ordered by a Customer who has never contracted with the Company shall be paid by the Customer as follows: i) 90% down payment due upon acceptance of the Approved Order; ii) 10% due thirty (30) days from the first sample shipment. Any new tooling ordered by an established Customer who has a proven payment history with the Company shall be paid by the Customer as follows: i) 50% down payment due upon acceptance of the Approved Order; ii) 40% due upon first sample submission (before tool can ship from Asia) iii) 10% thirty days (30) from the day the first sample run is shipped from the Company's facility in Jackson, Wisconsin.
- d. Non-Payment by Customer. The Company may withhold further shipments of Parts if payment is not made pursuant to the terms hereof for prior shipment or tooling. All amounts not paid when due shall be subject to interest at a rate of 4.5% per annum. The Company, at its sole discretion, shall have the right to not fulfil any production orders for a Customer with an outstanding balance due.

- e. Taxes. Customer shall be responsible for paying any and all taxes, import duties, or other fees\costs imposed on the items\Parts\services provided by Company.

12. MOLDS, TOOLS AND LIABILITY INSURANCE:

- a. Storage of Molds and Tools; Replacement Molds. Molds and tools shall be stored by the Company for the Customer's exclusive use in accordance with Customer's orders. Except for normal production maintenance, Customer shall be exclusively responsible for replacement of molds and fixtures.
- b. Indemnification for Loss; Customer Responsible for Insurance. CUSTOMER HEREBY AGREES TO INDEMNIFY AND HOLD THE COMPANY HARMLESS AGAINST ANY LIABILITY OR CLAIM, COSTS OR JUDGMENTS WHICH MIGHT ARISE OUT OF THE STORAGE OF CUSTOMER'S MOLDS AND TOOLS IN ACCORDANCE WITH THIS SECTION 12. Customer may, at its own expense, procure and maintain such casualty or other insurance coverage as it deems necessary to protect its molds and tools and other materials while they are in the possession of the Company.

13. FIRST ARTICLE ACCEPTANCE: The Company shall not start production on any new or modified tooling until written acceptance of the first article parts produced from said tooling is received from the Customer. In the case that the Customer is an organization, the acceptance must be signed by a person or persons with the requisite power to bind the Customer.

14. SHIPPING POINTS AND RISK OF LOSS: Tooling and/or parts are EXW (ExWorks) the Company's plant in Jackson, Wisconsin unless otherwise agreed, in writing, by the Parties.

15. WAIVER: The waiver by Company of any right under these Terms and Conditions in any one instance, or the acceptance of a partial, single, or delayed payment or performance of any covenant by Customer shall not operate as a continuing waiver or a waiver of any subsequent breach thereof.

16. INDEMNIFICATION AND HOLD HARMLESS: THE CUSTOMER HEREBY AGREES THAT IT SHALL INDEMNIFY AND HOLD THE COMPANY HARMLESS AGAINST ANY AND ALL CLAIMS ARISING OUT OF, OR RELATED TO, THESE TERMS AND CONDITIONS, A QUOTE, AN APPROVED ORDER, OR ANY ORDER MADE BY THE CUSTOMER, INCLUDING BUT NOT LIMITED TO: CONSEQUENTIAL DAMAGES AND LOST PROFITS ALLEGED TO HAVE BEEN SUFFERED BY THE CUSTOMER OR ANY THIRD PARTY. HOWEVER, THIS SECTION 16 DOES NOT SEEK TO INDEMNIFY THE COMPANY AGAINST LIABILITY ARISING FROM ITS OWN INTENTIONAL OR RECKLESS CONDUCT.

17. GOVERNING LAW & VENUE: These Terms and Conditions shall be governed by the laws of the State of Wisconsin, without regard to any choice of law regulations. Any claim, action or proceeding arising out of or relating these Terms and Conditions shall be filed and tried only by a court of competent jurisdiction sitting in the *County of Washington, State of Wisconsin*, and the Parties agree not to assert, by way of motion, as a defense, or otherwise in any such action, suit, or proceeding, any claim that it is not subject personally to the jurisdiction of such court, that such is in an inconvenient forum, that the venue of the action, suit, or proceeding is improper or that these Terms and Conditions or the subject matter hereof may not be enforced in or by such court. Each party irrevocably submits to the jurisdiction of any such court in any such action, suit, or proceeding.

18. ALL AMOUNTS REQUESTED: Customer agrees to pay all amounts requested by the Company including but not limited to: amounts due and outstanding, cancellation fees, lost profits, attorney's fees, court costs, and all other costs incurred by the Company. Customer further agrees that all amounts due to the Company are due immediately and on demand of the Company.

19. CONFLICT OF TERMS: In the event that these Terms and Conditions conflict with any terms of the Customer's Approved Order, these Terms and Conditions shall control, unless the Parties agree otherwise, in a written document, signed by both Parties.

Revised: May 11, 2016