

TERMS AND CONDITIONS FOR INDUSTRIAL DISTRIBUTORS
EFFECTIVE: 1 June 2013

THE FOLLOWING TERMS APPLY AGAINST ORDERS FOR HOLO-KROME FASTENERS® (herein "Holo-Krome") *The mere possession of these Terms and Conditions by an individual or company is not to be construed as an offer to sell that individual or company the products covered by these Terms and Conditions. Holo-Krome reserves the right to withdraw discounts and/or rebates from any distributor, at any time, for any reason whatsoever.*

ACCEPTANCE: No order placed with Holo-Krome shall be considered as accepted until officially acknowledged by Holo-Krome. Except as otherwise agreed to in writing by Holo-Krome and distributor, the following sets forth all of the terms of the purchase and sale of goods between Holo-Krome and distributor and supersedes all prior agreements, offers, representations and negotiations between them to the extent that they conflict with or are in addition to the terms contained herein, this being intended as a final expression and complete and exclusive statement of the terms of the agreement. If Holo-Krome's acknowledgement contains terms additional to or different from the distributor's order, it shall be effective as an acceptance of such order only if such terms are included in the agreement and they shall be so included if not objected to in writing within ten (10) days from the date of Holo-Krome's acknowledgement. On all orders where delivery dates or a delivery schedule are not specifically set forth, delivery shall be subject to Holo-Krome's ability to produce and deliver the items called for in the normal course of business.

MINIMUM SALES REQUIREMENTS: Holo-Krome reserves the right to reject orders placed by distributors whose annual purchases are less than \$5,000. These distributors will be referred to our Master Distributors.

MINIMUM ORDER CHARGES: Orders must be a minimum of \$50.00 (net).

SAME DAY ORDERS: Same day orders must be placed with, and accepted by, the Customer Service Representative ("CSR") by 3:30 EST. Orders are limited to 10 part numbers or less on one P.O. Additions and deletions cannot be accepted.

STANDARD PACKAGE QUANTITY: All orders must be by item number. Holo-Krome® products must be ordered in standard package quantities. Such items not ordered in standard package quantities will be increased to the next highest standard package multiple.

PRICING POLICIES: All prices are F.O.B. Shipping Point. Prices and payment terms are subject to change without notice to distributor. Prices and payment terms applicable to an order (including those applicable to end user contracts) are those in effect at the time of shipment, except that, in the event of a price increase, Holo-Krome will honor the price in effect at the time of acceptance of the order, provided that it was scheduled for delivery within [30] days of acceptance of the order.

FREIGHT TERMS: Delivery is F.O.B. Shipping Point.

- **PREPAID:** Holo-Krome will prepay freight charges only on product that is unavailable for shipment at the time of shipment of the original purchase order. Carrier for these "back-ordered" parts will be at the sole discretion of Holo-Krome.
- **DROP SHIPMENTS:** Same as above. However, where additional freight charges are incurred due to transferring to local (intrastate) carriers for delivery to remote points, the differential will be added to the invoice. There will be a \$35.00 processing fee for drop shipment orders and a minimum order value for product of \$100.00 (net).
- **ROUTING INFORMATION:** All order specific routing information must be clearly indicated ON THE PURCHASE ORDER. This includes but is not limited to; carriers, account numbers, special shipping instructions.
- **WEIGHT LIMITATIONS:** Maximum weight for orders specifying UPS shipments is 120 LBS. Orders specifying UPS with a weight greater than 120 LBS will be routed via Customers preferred LTL carrier or prepaid & add.

ADDITIONS: We cannot make additions to original orders. Requests for additions to orders previously received will be processed and invoiced as separate orders.

CANCELLATION. No order may be cancelled or altered without the express written consent of Holo-Krome. In the event of such an approved cancellation, Holo-Krome shall be entitled to any costs incurred in connection with such cancellation.

SHORTAGE AND DAMAGE CLAIMS: All products are sold F.O.B. Shipping Point. Risk of damage or loss shall pass upon delivery to the carrier at the point of shipment. Holo-Krome's responsibility for products ends upon receipt by the freight carrier.

- In case of shortage, distributor should notify at once the delivery freight carrier and promptly file a claim with the carrier. Shortages should be noted on the freight bill whenever possible.
- Shortages to the Packing Slip: Packing Slip shortages must be reported to customer services within 15 days. If a missing or damaged item is needed, an additional order may be placed for expedited shipment. However, deductions from invoices for shortages and damage claims will not be permitted.

RETURNED GOODS: Goods, including those resulting from shipping errors, cannot be returned without a Returns Good Authorization Form from the distributor's CSR. Discontinued Items and Specials are NOT returnable. Only current active part numbers of current design and in salable condition will be accepted. All authorized returns must be in Standard Package Quantities and in original boxes with original lot control numbers intact. Credit will be issued at weighted average price paid over past 12 months. All Stock Adjustment Returns are subject to a 25% restocking charge and must be freight prepaid. Credit for Returned goods will not exceed 5% of previous year's sales. Annual Stock Adjustments will be accepted from February through June. All products must be free of specific labeling other than that originally applied by Holo-Krome. Receipt of product with customer's labeling will be deemed to be unsaleable and will be disposed of without issuance of credit. NOTE: Returned Holo-Krome product must be in compliance with new Fastener Law P.L. 101-592.

WARRANTY: Holo-Krome® products are warranted according to the warranty listed below. In the event of a warranty claim by an end-user that meets the applicable warranty criteria, the distributor MUST replace or repair the product free of charge in accordance with the applicable warranty. In order to receive credit for repair or replacement of a covered product, the distributor must contact its Customer Service Representative at Holo-Krome for a Return Goods Authorization form (RGA) and return the product to Holo-Krome. Credit from Holo-Krome will include freight charges. Holo-Krome will only accept ground shipments. CREDIT WILL ONLY BE ISSUED IF THE PRODUCT IS RETURNED TO HOLO-KROME IN ACCORDANCE WITH THE ABOVE PROCEDURE.

- *Fasteners: Limited Warranty**. Fasteners are warranted to conform to specifications of latest issue. Holo-Krome will repair or replace any fasteners which it determines, in its sole judgment, were not manufactured in accordance to latest specifications. Fasteners must be sent to the Holo-Krome factory at user's cost for evaluation.

* This Warranty shall not apply to products that have been misused, abused, damaged by accident or otherwise, or modified by anyone other than Holo-Krome. Normal wear is also excluded.

This Warranty is the sole warranty applicable to the products and is in lieu of all other warranties, whether express, implied or statutory. THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE SPECIFICALLY EXCLUDED. Buyer's sole and exclusive remedy for breach of this Warranty is, at the option of Holo-Krome, replacement of the defective product. IN NO EVENT WILL HOLO-KROME BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING FROM BREACH OF THIS WARRANTY, EVEN IF HOLO-KROME HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

TERMS OF PAYMENT: 1 1/2% 10 days, net 30 from date of invoice. Invoices paid within 10 days of the invoice date qualify for a 1 1/2 % cash discount. Full payment is due 30 days from date of invoice. All invoices are considered past due after the due date, and are subject to a service charge of 1.5% per month. Holo-Krome shall be under no obligation to make any shipment when distributor is in default hereunder or under any other sales agreement between distributor and Holo-Krome. Distributor agrees to pay Holo-Krome the amount which Holo-Krome is required to pay on account of any excise, manufacturer's payroll, use or sales taxes or charges which may be established or levied by any governmental authority (domestic or foreign) upon the products sold hereunder or any part thereof, or the manufacture, use, sale or delivery thereof, or upon the materials entering into the manufacture thereof, as the same may be applicable to the products sold hereunder or the manufacture, use, sale or delivery thereof.

INTELLECTUAL PROPERTY RIGHTS: (a) If the products are to be prepared or manufactured according to a user's or distributor's specifications, distributor indemnifies Holo-Krome against any loss, damage, claim or liability for patent or trademark infringement or alleged violation of any other intellectual property rights on account of such preparation or manufacture. (b) Unless otherwise expressly set forth in writing by Holo-Krome, non-recurring engineering charges and all charges of a similar nature which may be billed to distributor for work performed by Holo-Krome in connection with the sale of products from Holo-Krome to distributor (including but not limited to tooling charges, partial preparation charges, set-up or fit-up charges, and the like) represent only part of the cost thereof incurred by Holo-Krome. Neither Distributor nor the user acquires any right, title or interest in, or license (either express or implied) to any drawings, designs, inventions or intellectual property or any tooling or other tangible property, by virtue of any such charges.

DISPUTE RESOLUTION. The parties shall exercise their best efforts to resolve by negotiation any and all disputes, controversies or differences arising out of or relating to these Terms and Conditions. All disputes, controversies or differences between the parties that are not settled by negotiation shall be decided in accordance with the Commercial Arbitration Rules of the American Arbitration Association and judgment will be entered on the award. The parties will select a single arbitrator in accordance with the Commercial Arbitration Rules. The arbitrator will be bound by the express Terms and Conditions herein. The site of arbitration will be a mutually agreeable location in Minnesota and the arbitrator(s) will be bound by the applicable law of the State of Minnesota.

FORCE MAJEURE: Any delays or failures to deliver any items or shipments, if occasioned by fire, explosion, flood, earthquake, war, riots, terrorism, insurrection, civil disturbance, accident, storm, interruption or delay in transportation, shortages

or strikes due to labor disputes, inability to obtain materials or supplies, acts of government, or any act of God, or any other causes of like kind which are beyond the control of Holo-Krome shall not subject Holo-Krome to any liability to distributor.

MISCELLANEOUS: Failure of Holo-Krome to insist on strict performance of these Terms and Conditions, or the waiver of any breach of a Term or Condition, will not be construed as waiving any other Terms or Conditions, with the remaining Terms and Conditions in full force and effect. In the event any one or more of these Terms and Conditions should be deemed invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.

MAIL ORDERS TO: Holo-Krome Fasteners
61 Barnes Industrial Park North
Wallingford, CT 06492

OR

E-MAIL ORDERS TO: orders@holo-krome.com

OR

FAX ORDERS TO: 203-284-7052

MAIL PAYMENTS TO: Holo-Krome Fasteners
P.O. Box 1455,
Winona, MN 55987

**SALES AND
ADMINISTRATION INFORMATION:**

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61 Barnes Industrial Park North
Wallingford, CT 06492
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