

GASKET MANUFACTURING COMPANY
STANDARD TERMS AND CONDITIONS OF SALE
Revised 08-23-2011

Gasket Manufacturing Company's acceptance of Buyer's purchase order may be made only by written acknowledgment of which these terms and conditions are hereby expressly made a part of, or, if no such acknowledgment is made, by the shipment of the goods to buyer. Gasket Manufacturing Company's acceptance of Buyer's purchase order is expressly conditioned upon buyer's assent to all of the terms and conditions stated herein as the sole terms and conditions of sale. Failure of buyer to object in writing within ten days acknowledgment or receipt of the goods, whichever occurs first, shall constitute Buyer's agreement to all of the terms and conditions of sale as the sole terms and conditions of sale.

Payment Terms: All first time orders from new customers shall be CIA or COD. Thereafter, payment shall be net cash within thirty (30) days of shipment unless otherwise specified. For Purchasers with approved credit, terms are 1% discount if paid within 10 days, net 30 days from date of shipment of goods. All others will be COD terms. Terms of payment are those appearing on the face of the invoice. All past due balances are subject to a service charge of 1% per month (12% per annum). Prepayment or deposit may be required for manufacture of tooling, or other services. Purchaser agrees to make all payments promptly when due or forfeit open account status. Returned checks are subject to collection at three times the amount written plus bank charges incurred by GMC. Purchaser agrees to pay all attorney and collection fees in the event any invoice is not paid in full. Gasket Manufacturing Company reserves the right at any time to revoke any credit extended to Buyer because of Buyer's failure to pay for any goods when due or for any other reason deemed good and sufficient by Gasket Manufacturing Company. Shipment may be deferred until any late payments are made, or at our option, we may cancel all or any part of unshipped order.

Sales Tax: Gasket Manufacturing Company is required to charge applicable state and local taxes on every item for which sales tax exemption certification has not been provided. Please indicate clearly which items are tax exempt when ordering.

Bid Prices: Bid prices quoted are valid for a period of no more than ninety (90) calendar days from bid date and are subject to change without notice due to increases in material or other industry trends.

Quantity: Gasket Manufacturing Company will make every effort to ship exact quantities required. However, unless otherwise stipulated in the contract, Gasket Manufacturing Company reserves the right to overship or undership by 10%.

Delivery: Orders will ship to insure 100% on-time delivery, but no more than 5 working days prior to due date, or as specified by Customer. Written authorization is required for early shipments.

F.O.B.: All orders are FOB Gasket Manufacturing Company dock, Gardena, California. Purchaser is responsible for shipment costs and must specify method of transport required at the time of purchase. Seller does not accept any responsibility for loss or damage caused by common carrier and any claims should be made against the carrier without delay.

NRSC: Non-recurring set up costs for tools and dies do not convey ownership nor the right of possession. Unless otherwise stipulated in the contract, all tooling will remain the property of GMC and remain on the premises. Customer owned tooling may be stored and utilized at the GMC facilities, specific to contractual agreement between the purchaser and GMC representative.

Additional Charges: Split shipment requirements are subject to an additional fee for each additional shipment. Storage of parts or materials for "Just In Time" customers, etc. are subject to additional fees for warehousing and processing.

Quality: All goods are produced within the guidelines of the GMC Quality Control Manual, available upon request. All valid rejections are reproduced with priority status.

Return Items: Gasket Manufacturing Company will make a good faith effort for prompt correction or other adjustment with respect to any product which proves to be defective. Orders may not be returned without the prior consent of and Return Material Authorization (RMA) number from Gasket Manufacturing Company. All claims for alleged defects in goods shall be deemed waived unless made in writing delivered to Gasket Manufacturing Company within thirty (30) days after receipt of goods by Purchaser. Purchaser shall afford Gasket Manufacturing Company prompt and reasonable opportunity to inspect goods as to which any claim is made as stated above. Parts returned after ninety (90) days will be eligible for CREDIT ONLY, no refunds will be made.

Cancellations: Contracts and/or purchase orders are not subject to cancellation, except with the consent of GMC. Any costs incurred up to the point of cancellation are the responsibility of the Purchaser and will be invoiced.

Confirmation: Agreements made by GMC representatives are subject to confirmation and acceptance at the sole discretion of the Chief Executive Officer of the Corporation.

Force Majeure: Gasket Manufacturing Company shall not be liable for any delay in or impairment of performance resulting in whole or in part from Acts of God, labor disruptions, fires, war, civil commotion, epidemic, accidents, shortages, inability to procure product, supplies or raw materials, severe weather conditions, or any other circumstances or cause beyond the control of Gasket Manufacturing Company in the conduct of its business.

Certifications: Prices quoted do not include Mercury Free Certification. Additional or multiple certifications are subject to additional charges.

Entire Agreement: The foregoing comprises the entire agreement between the parties and there shall be no modification except as agreed in writing signed by the Buyer and Gasket Manufacturing Company.