



Quotations Terms and Conditions for Quotations issued to Customers

Applies to all Quotations issued from Flow Dry Technology, Inc. USA, Flow Dry Kft. Hungary, and Flow Dry (Zhangjiagang) Packaging Product Co., Ltd.

Prices quoted are based on annual quantity and minimum release quantity as indicated. \$500.00 minimum per item per shipment unless otherwise noted. Orders will be priced in accordance with quantities released for shipment at one time, as listed on this quotation. Requested release quantities for fewer parts or service part levels must be quoted separately. Prices will be adjusted for increased costs due to reduction in release quantity below the quoted minimum.

Transport terms are EX-works our manufacturing location unless otherwise stated on the face of the quotation. This quotation is valid for 30 days after which it could be subject to possible cost adjustments. Shipment quantity tolerances +10%/ -10% unless otherwise specified.

Tooling Charges quoted cover the initial cost of building the particular tool specified on the quote, based on the annual quantities quoted. Where actual quantity usage exceeds quoted capacity quantities, the lifetime tool capacity may be exceeded and additional tool charges to rebuild or replace the tool may be required to continue production. When tooling costs exceed \$10,000, standard payment terms are 30% of tooling cost is due with PO, 30% of tooling cost is due upon receipt of first parts made off tooling, 40% final payment is due upon PPAP submittal. Tooling or tooling components purchased by the customer, which has been replaced or modified by FDTI without consideration, or exceed the normal estimated useful life of the tool through maintenance costs paid by Flow Dry Technology Inc., becomes the property of Flow Dry Technology Inc. Tooling and molds in our possession that have been inactive for more than three years may be destroyed or sent to the customer for storage. Payment for drawing, development, mold, and/or tooling charges does not grant customer any license, either explicitly or implicitly, under any of Flow Dry Technology Inc.'s intellectual property rights. Tooling paid for through amortized adjustment of cost into piece part price remains the property of Flow Dry Technology.

Materials or components with a stated shelf life used for quotation require a purchase order sufficient to use up the minimum quantity required by the raw material supplier. Cancellation charges will apply where total order quantities do not meet the quoted minimum required to use up all raw material either during "balance out" or otherwise.

Standard Packaging will be a corrugated cardboard box with plastic liner. Box or drum size and contained quantity is determined by the most economical method based on the size and quantity of the parts being ordered. Standard packaging will apply unless otherwise noted on the face of this quotation. All transactions are charged a 3% Packing and Handling fee. This fee is required to process the packing and handling requirements for each order. In the event that customers pay directly to Flow Dry via cash or check, then the Packing and Handling fee is waived.

Payment for Goods. Payment terms: Net 30 days. In the event Buyer fails to fulfill agreed terms of payment, or in case Seller shall have any doubt at any time as to Buyer's financial ability to pay, Seller may decline to make further shipments except upon receipt of required payment.

WARRANTY POLICY

The Flow Dry family of companies consists of Flow Dry Technology, Inc. (parent company -USA), Flow Dry KFT (Hungary), and Flow Dry (Zhangjiagang) Packaging Products Co.,Ltd. (China). This policy applies to goods manufactured at all locations.

Flow Dry Technology, Inc. ("FDTI") manufactures goods which conform to customer requirements as defined on the Drawing or Specifications for the part number and revision level listed on the quotation or current Price Revision Letter in effect. FDTI warrants that the goods shipped will conform to dimensions and material specifications per the quoted drawing. In the event that goods are found not to meet the specifications, FDTI will replace the non-conforming goods or refund the purchase price of each item of goods found not to meet the specification provided that:

1. The customer notifies FDTI of the nonconformance in writing within thirty days after delivery of the goods.
2. The customer provides the identifying lot number from the label on the goods to FDTI to allow FDTI to correct the nonconformance on future shipments of goods.
3. The customer allows FDTI to inspect the goods in question or the nonconforming goods are returned under an FDTI Return Material Authorization (RMA) number.
4. The goods have not been exposed to unusual environment conditions, incompatible chemicals, or unreasonable stress in connection with their assembly or in application.

FDTI MAKES NO WARRANTY, EXPRESS OR IMPLIED, OTHER THAN AS IS EXPRESSLY PROVIDED ABOVE, THERE BEING NO OTHER WARRANTIES. EXPRESSLY EXCLUDED ARE THE IMPLIED WARRANTIES OF MERCHANTABILITY or FITNESS FOR A PARTICULAR PURPOSE. THE FOREGOING SHALL CONSTITUTE ALL OF SELLER'S LIABILITY (EXCEPT AS TO PATENT INFRINGEMENT) WITH RESPECT TO THE GOODS. IN NO EVENT SHALL SELLER BE LIABLE FOR SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, LOST REVENUE, RECALLS, OR PROFITS, OR ANY OTHER COSTS OF ANY NATURE AS A RESULT OF THE USE OF THE GOODS MANUFACTURED BY FDTI, WHETHER USED IN ACCORDANCE WITH INSTRUCTIONS OR NOT. UNDER NO CIRCUMSTANCES SHALL SELLER'S LIABILITY TO PURCHASER EXCEED THE ACTUAL SALES PRICE PAID OF THE GOODS PROVIDED UNDER ANY QUOTATION, PURCHASE ORDER, PURCHASE ORDER ACKNOWLEDGEMENT AND OR INVOICE.

This policy is included in our Standard Terms and Conditions for all quotations and PPAP (Production Part Approval Process) package and based on placement of a Purchase Order with FDTI and approval of the PPAP, the customer agrees and accepts this Warranty Policy. The remedies listed above are the customer's sole remedies against FDTI for Non-Conforming Products.

Flow Dry Technology, Inc.

The Quality Management System of Flow Dry family of companies are certified to comply with the requirements of ISO/TS16949:2009 or ISO 9001:2008 as follows: OHIO- ISO/TS 16949:2009; IATF Certificate 0083477; Expiration Date 29-May-2012
HUNGARY- ISO/TS 16949:2009; IATF Certificate 0083478; Expiration Date 29-May-2012
CHINA- ISO 9001:2008; Certificate CERT-0039696; Expiration Date 16-April-2012

These terms and conditions are included with all quotes transmitted in any form and supercede all prior agreements, representations and understandings or customer terms and conditions.