



## STANDARD TERMS AND CONDITIONS OF SALE – PROTECH INDUSTRIES

Effective April 9th, 2020

These following Terms and Conditions of Sale are applicable to all Purchase Orders placed with and accepted by ProTech Industries, Inc. ("ProTech"):

1. *Price and Terms.*

- (a) Prices for Standard Products will be set forth in the ProTech Sales Price Sheet. The terms and prices in the Sales Price Sheet are subject to change by ProTech from time to time at its own discretion. Invoices may include shipping costs, taxes and appropriate insurance at Customer's expense. The prices payable by Customer will be specified in the Purchase Order (plus applicable shipping costs, taxes and insurance). Customers must provide a Federal Tax I.D. at the time that their account is set up.
- (b) Prices for all built-to-spec (custom) products will be set forth in a ProTech provided quotation. Specifications will then be forwarded and approved by the Customer. Once Customer approves the build to specification (custom) blueprint for the custom products with a signature approval, work will begin on the Products.
- (c) Payment terms are net thirty (30) calendar days from the date of the invoice. If Customer does not pay an invoiced amount within terms, Customer will pay finance charges of three percent (3%) per month on the late balance (subject to applicable law). ProTech reserves the right to (1) withhold shipment of the Product until full payment is made; and/or (2) revoke any credit extended to Customer. In the event that the Customer's account is more than ninety (90) days in arrears, Customer shall reimburse ProTech for the reasonable costs, including attorneys' fees, of collecting such amounts from Customer. In the event of any dispute regarding an invoice, no finance charges will apply in the event that Customer provides written notice of the dispute prior to the due date of payment and pays the undisputed amount timely.
- (d) Credit provided is based on Customer supplied financial information and payment history as well as information obtained from customer supplied bank and supplier references. As noted above: Any outstanding balance beyond thirty days will be assessed a 3% interest per month rate for the duration of the outstanding balance.
- (e) Customer shall provide notice with five (5) days of the occurrence of any event that materially affects Customer's ability to perform its obligations under this Agreement.
- (f) Unless otherwise specified in the Purchase Order, Products will be delivered FOB ProTech's manufacturing facility and will be shipped to Customer via carriers selected by ProTech. Shipping costs, taxes and appropriate insurance will be the responsibility of the Customer unless otherwise agreed in writing by ProTech.

2. *Specifications.* ProTech will manufacture all products in compliance with the Specifications, statements of work and other written instructions agreed between Customer and ProTech for each Product.

3. *Intellectual Property.* All inventions, discoveries, patent applications, patents, copyrights, trademarks and trade names, commercial symbols, trade secrets, work product and information embodying proprietary data existing and owned by ProTech as of the date of the Purchase Order shall be and remain the sole and

exclusive property of ProTech. Sharing of ProTech engineering prints, or any form of ProTech Intellectual Property without the express authorization of ProTech Industries is forbidden.

4. **PROTECH® Products — Limited Lifetime Warranty** PROTECH INDUSTRIES, INC. (the “Manufacturer”) warrants to the original purchaser only that PROTECH® Truck Products (the “PROTECH® Product”) will be free from defects in material and workmanship from the date of purchase and continuing for the expected lifetime of the PROTECH® Product. A copy of the original sales receipt must be supplied to the Manufacturer at the time a warranty claim is made. This warranty terminates if the original purchaser transfers the PROTECH® Product to any other person.

**What is covered?**

All PROTECH® Products identified above that are purchased on or after December 1, 2018.

**What We Will Do To Correct Problems?**

Subject to the limitations and exclusions described in this limited warranty, the Manufacturer will remedy defects in materials or workmanship by providing one of the following remedies at its option and without charge to the original purchaser for parts or labor: (a) repairing the defective portion of the PROTECH® Product or (b) replacing the entire PROTECH® Product. In addition, the Manufacturer may elect at its option, not to repair or replace the PROTECH® Product, but rather issue to the original purchaser a refund equal to the purchase price paid for the PROTECH® Product or a credit to be used toward the purchase of a new PROTECH® Product.

**What is not covered?**

This limited warranty expressly excludes:

- Our factory applied powder coat finish is only included for the first year after the original purchase. This one year warranty on powder coat applies to exterior surfaces of the product.
- Defects caused by normal wear and tear, cosmetic rust, scratches, accidents, unlawful vehicle operation, or modification to the product, or any types or repair of a PROTECH® Product other than those authorized or provided by the Manufacturer.
- Defects resulting from conditions beyond the Manufacturer’s control including, but not limited to misuse, overloading, or failure to assemble, mount or use the PROTECH® Product in accordance with the Manufacturer’s written instructions or guidelines included with the PROTECH® Product or made available to the original purchaser.
- Damage to the contents of the box or vehicle; or cost associated with installation or removal of said product.
- TO THE EXTENT PERMITTED BY LAW, IN NO EVENT SHALL THE MANUFACTURER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, INCLUDING ANY ECONOMIC LOSS, WHETHER RESULTING FROM NONPERFORMANCE, USE, MISUSE OR INABILITY TO USE THE PROTECH® PRODUCT OR THE MANUFACTURER’S NEGLIGENCE.

**No Other Express Warranty Applies**

This Limited Lifetime Warranty is the sole and exclusive warranty for PROTECH® Products. No employee, agent, dealer, or other person is authorized to alter this warranty or make any other warranty on behalf of PROTECH INDUSTRIES, INC.

**Notification Procedures**

If the PROTECH® Product does not conform to the terms of this limited warranty, the original owner must promptly notify the Manufacturer in writing upon discovery of the nonconformity. In order to receive the remedies under this limited warranty, the warranty claim must describe the nature of the nonconformity, and a copy of the original sales receipt, invoice, bill or other proof of purchase must accompany the claim. Repairs or modifications made to the PROTECH® Product by other than the Manufacturer or its authorized agent will nullify this limited warranty. Coverage under this limited warranty is conditioned at all times upon the owner’s compliance with these required notification and repair procedures. Warranty claims

must include reciprocal contact information and may be made via certified mail to: ProTech Industries, Inc. 14113 NE 3rd Ct, Vancouver, WA 98685.

5. *Limitation of Liability.* IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR INCIDENTAL, SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES.
6. *Inspection and Acceptance.* All deliveries of Products are subject to inspection and testing by Customer. Within three (3) days after receipt of a Product or Products (“Rejection Period”), Customer may inspect and reject any Product that fails to meet the Specifications. Within the Rejection Period, a Customer may notify ProTech of any Product rejections and the reasons therefor and Customer may return rejected or defective Products to ProTech. In the event that the returned Product is defective, ProTech will repair or replace such defective Product. ProTech will return to Customer, freight prepaid, all repaired or replaced Products within 10 days after ProTech’s receipt of the returned Product or within such other time as specified by ProTech. Any returned Products that have been determined by ProTech personnel to have been damaged by misuse, abuse or unauthorized repair may be treated by ProTech as “out of warranty” and subject to repair charges. Notwithstanding anything to the contrary contained in this Agreement, inspection or failure to inspect the Products upon delivery will not affect Customer’s rights under the warranty provisions of this Agreement.
7. *On-Time Shipment and Delivery.* Protech considers an individual order shipment on time if it is made within the following timeframes:
  - a. Zero days late to the later of...
    - i. Protech’s original committed ship date in acknowledging the order
    - ii. Any subsequent and later reschedule date requested by the customer
  - b. No more than seven days early to the earlier of...
    - i. Date requested by the customer
    - ii. Protech’s committed ship date

Orders shipped within these guidelines will be considered “on time” and within the terms of the order contract. ProTech reserves the right to amend this guideline without notice due to special circumstances determined solely in its discretion.

8. *Change Order.* ProTech agrees to promptly implement, at Customer’s expense, any change in the Specifications submitted by Customer and agreed to by ProTech, provided no manufacturing has begun on the product being manufactured, and no materials have been modified for use in the approved custom product. If a portion of the Product has been manufactured before the change order, Customer acknowledges that the expenses for rework requested in the change order may be significant.
9. *Will Call Policy.* Customers are notified when Will Call Orders are available for pick up. Orders must be picked up within 10 business days of notification. After 10 days, ProTech will ship to customer address and add freight charges to invoice.
10. *Responsibility of Customer.* Any Product signed for at the time of delivery is the responsibility of the Customer, and any damages not noted at the time of delivery are the sole responsibility of the Customer. Freight claims need to be addressed at the time of the inspection.

11. *Return Policy.* ProTech is not responsible for unsold Products at the Customer location, and will not accept returned Products unless agreed to by ProTech in advance and in writing under “special circumstance” by ProTech. Any returned Product must be agreed to within 30 days of shipment, or within the agreed to stock adjustment period, and then are subject to a 15% restocking fee. Return shipment costs are the responsibility of the Customer unless otherwise agreed to by ProTech.
12. *Cancellations.* Items that have shipped are subject to the Returns Policy in Section 10. For all cancellation requests on unshipped (open) orders, ProTech agrees to promptly quote any costs incurred in the effort to fulfill the order in question. These costs may include, but are not limited to, material and labor in the engineering, administration and/or manufacture of the order. ProTech agrees to make all reasonable efforts to mitigate these costs, but they are ultimately the responsibility of the customer in cases of cancellation. In general, there are three categories of product that drive the severity of costs involved in a cancellation request, as follows:
- Build to Stock Product* – Items that ProTech stocks in advance of order can usually be canceled at any time prior to shipment without cost. One exception would be for orders of quantity(s) in excess of seasonal stocking levels.
  - Build to Order Product* – Items that ProTech builds to order are subject to costs associated with material and labor directly related to the product’s manufacture.
  - Custom Product* – In addition to those costs directly related to the product’s manufacture, custom orders may incur costs associated with the design/engineering and testing of the product, typically 30% or more of the product’s sale price.
13. *Stock Adjustments.* Each Customer is allowed one (1) stock adjustment per calendar year. Products that can be returned must have been purchased within the previous 12 months from ProTech. All stock adjustments are subject to a 2 for 1 offsetting order. Example: if \$1000 is to be used in a stock adjustment, an order for \$2000 of new Products must be placed at the time the request for stock adjustment is submitted. All returned Products must be free of defect and be in salable condition.
14. *Credit for Returns.* Credits that are issued to customers will be considered, “in house credits”. Credits will not be refunded in cash and they will be issued with an expiration date of 90 days. The credit must be taken as payment toward other invoices that exist or will exist in the future. The customer will have a 90 day period of time to take outstanding credits before the credit is removed from the account.
15. *Credit Card Payments.* Should a credit card payment need to be reversed the credit will only be issued back against the same card used in the original transaction. In the event that a credit card charge is disputed, ProTech will comply with federally regulated credit card rules.

SLPO0001 REVISION HISTORY				
REV	AUTHOR	MODIFICATION DATE	REASON	APPROVER
A	John McCalla	1/1/2016	Initial release	John McCalla
B	John McCalla	7/26/2019	Addition of limited lifetime warranty	John McCalla
C	Wayne Smith	1/10/2020	Added cancellation clause	John McCalla
D	Wayne Smith	2/21/2020	Added section 13 (credits) and 14 (credit card payments)	John McCalla
E	Wayne Smith	4/9/2020	Added On-Time delivery parameters section	John McCalla
F	Wayne Smith	8/14/2020	Corrected late fee percentage from 1.5% to 3%	John McCalla
F	Wayne Smith	9/16/2020	Removed 3% credit card payment fee	John McCalla