



### Terms and Conditions of Sale

As of January 1, 2009

#### Qualifications

##### **General:**

Proof of being in an automotive-related business, with a commercial site, is required. This may be in a form of copies of your reseller's permit & business license or other suitable evidence. Web-based business must have a working web site. In order to receive trade discounts, all applicants must submit a completed "Wholesale Status, Company Check & Credit Application". You may fax the completed statement for us to begin processing your application; However, we must have originals for our files and final approval. The following Terms and Policies are subject to change at Foreign Auto Tech's discretion. Possession of these Terms and Policies does not constitute an offer to sell. Foreign Auto Tech reserves the right to refuse or reject any request.

##### **Resale:**

California Companies must submit a signed official resale card. Sales tax will be added to your order if we do not have a signed resale card in our possession at time of sale. If applicable, there is a provision to deduct the sales tax charged by us on your company's California Franchise Tax Board sales tax return.

#### Payment Terms

##### **C.O.D. Cash:**

Unless otherwise agreed upon, all products sold by Foreign Auto Tech, Inc. will be COD (cash on delivery). We accept cash, money orders, bank certified checks, or cashiers checks drawn under U.S. currency.

##### **C.O.D. Company Check:**

Foreign Auto Tech, Inc also accepts company checks providing that your company has been in business a minimum of 2 years. Upon verification of banking status and acceptance approval, you may pay by company check. Please allow 4 to 6 weeks for approval. All NSF (non-sufficient funds) checks are subject to a \$20.00 service fee. Accounts repeatedly issuing NSF checks will be placed on permanent C.O.D. cash/cashiers check status. Accounts who fail to pay any outstanding balances due to NSF check(s) will be closed.

##### **Credit Card Payment:**

To save on C.O.D. fees and for your convenience, you may use your Visa, Master Card, Discovery or American Express Card to pre-pay orders.

##### **Open Account:**

Foreign Auto Tech, Inc. may, at its sole discretion, offer open account status, with appropriate credit limits to wholesalers. All required sections of the "Wholesale Status, Company Check & Credit Application" must be completed. If attaching "blanket" credit application, certain required sections of our application must be filled out if the necessary information is not reflected on your application form. Signatures from all principals are also required for personal payment guarantee. Terms are net 10<sup>th</sup>. Balances outstanding on the 30<sup>th</sup> day after the statement date will be considered past due and are subject to a finance charge of 1½% per month (18% annually). Accounts with repeated past due history will be serviced on a C.O.D. basis and will be subject to review of the account discount structures. Please allow 4 to 6 weeks for account approval. Companies who have been in business less than 2 years will not be offered an open account status.

#### Purchase Orders

##### **General:**

Written Purchase orders, submitted via fax, e-mail, or instant message service, are encouraged. Foreign Auto Tech assumes no responsibility for the accuracy of verbal purchase orders.<sup>1</sup>

#### Purchase Orders Continued

##### **Authorized Issuers:**

Purchase orders will only be accepted from employees listed as authorized purchasers on your dealer application. It is your responsibility to update this information as it changes.

#### Shipping and Delivery

##### **Delivery Service:**

Daily delivery service is offered to the Hayward area in the morning of each weekday, an afternoon delivery ranging from San Francisco, CA to Belmont, CA is also offered. At this time, we also offer a Tuesday & Thursday delivery to the San Jose area and a Wednesday delivery to the Oakland area. Delivery service is available to commercial addresses only.

##### **United Parcel Service:**

All other orders are shipped U.P.S. Ground Service unless otherwise requested. All U.P.S. orders placed by 3:00 p.m. will be packaged and shipped the same day. If a shipped package is refused for any reason, which includes not having COD funds ready, your company will be charged the amount of all shipping costs (shipping & return) plus a 15% restock fee. No charges are incurred if the order is cancelled before it leaves Foreign Auto Tech, Inc.

##### **Prepaid Freight:**

Customers placing orders of at least \$3,000 (shippable) will be eligible for prepaid freight within the Continental (48 contiguous) United States by a carrier of Foreign Auto Tech's choice. Prepaid freight does not include truck collect charges. FOB Foreign Auto Tech, Millbrae, CA.

##### **Drop Shipments to your customers:**

Drop shipments to your customers are available. Unless you are an open account customer in good standing, you must prepay with a credit card or check. We cannot handle your customer billing or handle your C.O.D. shipment. There is a \$5.00 drop shipment fee in addition to all-applicable shipping and handling charges. In order to process a drop-ship, we must receive via fax a purchase order or a document clearly detailing the recipient's address and method of shipping (i.e. ground, 2-day air, next-day, etc.). Your company name can be used as the shipper; please request this in writing when faxing us your order. You may also fax us a customer invoice and/or promotional materials, which we will enclose with the shipment. To avoid any confusion, no drop-ship instructions will be taken verbally.

#### Special orders

##### **General:**

Any non-stocking item or a stocking item that we may be temporarily out of, can be special ordered. Most special order items will be ordered in a timely manner, contingent on each manufacturer's minimum order requirements. All applicable incoming freight charges will be charged to you. On occasion, non-stocking items may be ordered on our next stock order with no incoming freight charges; these orders may take a week, a month, or longer dependant on our internal order cycles and the manufacturer's handling of stock orders. We cannot be responsible for any production or delivery delays if you choose this option.

##### **Drop Shipments to you:**

On occasion, drop shipments to you from the manufacturer may be necessary. Unless you are an open account customer in good standing, you must prepay with a credit card or check.

##### **NO EXCEPTIONS!**

#### **ALL NON-STOCKING SPECIAL ORDER ITEMS ARE NOT RETURNABLE!**