

SHRINK PACKAGING SYSTEMS CORPORATION TERMS AND CONDITIONS OF PURCHASE

1. **Acceptance; Entire Agreement** – Unless otherwise agreed to in writing, these Terms and Conditions of Purchase (“Terms”) apply to all purchases by Shrink Packaging Systems Corporation (“Buyer”) from the supplier of any goods and/or services (“Seller”) hereunder. These Terms constitute Buyer's offer and may be accepted by Seller only in accordance with the terms hereof. Seller's acceptance of these Terms and any order hereunder shall occur either through commencement of performance or acknowledgment of the order. By accepting an order hereunder, Seller waives all terms and conditions contained in its quotation, acknowledgment, invoice or other documents which are different from or additional to those contained herein and all such different or additional terms and conditions shall be null and void. No addition to, waiver or modification of, any of the provisions herein contained shall be of any force or effect unless made in writing and executed by Buyer's authorized representative.

2. **Changes** - Buyer shall have the right at any time to make changes in an order by written notice to Seller, and Seller agrees to comply with such changes. If such changes cause a material increase or decrease in Seller's costs or time of performance, Seller shall notify Buyer immediately and negotiate an adjustment. **SELLER MAY NOT CHANGE MATERIAL OF MANUFACTURE, SOURCES OF SUPPLY, MANUFACTURING PROCESS OR LOCATION WITHOUT THE PRIOR WRITTEN CONSENT OF BUYER.**

3. **Price** - If an order is not priced it shall not be filled at prices higher than those last quoted and charged to Buyer for the same goods/services. Charges for any boxing or packaging will not be allowed or paid by Buyer unless otherwise expressly stated in an order. Goods are purchased on a delivered basis and all freight charges are to be paid by Seller.

4. **Invoices** - All invoices shall be mailed to Buyer at its office as indicated on the face of an order and will state Buyer's Purchase Order Number clearly on the Invoice. Invoice and duplicates shall be rendered for each order or for each shipment if more than one is made on an order. An itemized delivery ticket, bearing Buyer's Purchase Order Number as shown hereon, must be left with the goods to insure their receipt. If delivery is made by a third party, an itemized delivery ticket must be attached to the package or other shipping unit.

5. **Discounts.** In connection with any discount offered for prompt payment, time for earning the discount will be computed from the latest date of: (i) delivery of the goods to the carrier (when acceptance is at shipping point); (ii) delivery at Buyer's destination or port of embarkation (when delivery and acceptance are at either of these points); or (iii) receipt by Buyer of the correct invoice or voucher (in strict accordance with this Order) in the office specified by Buyer. For the purpose of earning any such discount, payment will be deemed to be made on the date of mailing of Buyer's check or Buyer's initiation of electronic payment. In case of errors on an invoice, the payment discount period will date from the receipt of corrected invoices.

6. **Shipping; Delivery/Title** - Unless otherwise agreed to in writing, delivery shall be FOB point of destination and title and risk of loss shall pass to Buyer upon delivery to Buyer's location. Time of shipment and of other aspects of performance hereunder is of the essence of these Terms. Delays in shipment shall be reported immediately by Seller to Buyer.

7. **Right of inspection and rejection** - Goods supplied by Seller shall be received subject to Buyer's inspection and approval within a reasonable time after delivery, notwithstanding prior payment. If specifications or warranties are not met, goods may be returned at Seller's expense. No goods returned to Seller as defective shall be replaced except upon Buyer's written authorization. Buyer may return to Seller any nondefective, excess goods within ninety (90) days of receiving them.

8. **Warranty** - Seller warrants that in furnishing the goods hereunder, all applicable American standards (including, but not limited to, ANS, ASME, ASTM and NEMA) have been complied with at the time of delivery. When goods purchased hereunder are manufactured or produced outside the United States or its territories, Seller shall furnish at Buyer's request documents stating the names and addresses of the foreign manufacturers or producers, and containing written assurances of compliance with American standards. In addition to all warranties provided by law, Seller further represents and warrants that: (i) the goods, when shipped, shall conform to specifications, drawings, samples or other descriptions furnished by Seller or specified by Buyer, and shall be of merchantable quality, fit and safe and free from defects in material, design and workmanship; (ii) the goods do not infringe on any trademark or patent right; (iii) it possesses all licenses and permits required by any state, federal or municipal agency that may be required to sell the goods; (iv) the goods comply with and are manufactured and labeled in compliance with all applicable federal, state and local laws, rules and regulations, including, but not limited to, Environmental Protection Agency requirements, the Consumer Product Safety Improvement Act, the

Federal Food, Drug and Cosmetics Act, the Fair Labor Standards Act of 1938 (as amended), the Lacey Act (16 U.S.C. Sec. 3371 *et seq.*, as amended) for products containing wood fiber, all United States Toxics in Packaging legislation, EU REACH and RoHS legislate, and any other laws, rules, regulations or ordinances governing the environment, health, safety, weights, measures and sizes; (v) the goods are fit for the particular purpose intended; (vi) Buyer shall have good title to all goods sold to Buyer free and clear of all liens, claims and encumbrances; (vii) Seller is in full compliance with the provisions of The Foreign Corrupt Practices Act of 1977 (as amended) and any rules or regulations promulgated thereunder; and (viii) the goods do not and will not contain any “conflict minerals” (columbite-tantalite (coltan), cassiterite, gold or wolframite, or their derivatives, tantalum, tin and tungsten) as defined in the 2010 Wall Street Reform and Consumer Protection Act, also known as the Dodd-Frank Act, and that no conflict minerals are necessary to the functionality or production of any of the goods. Buyer’s approval of specifications, drawings, samples and/or other descriptions furnished by Seller shall not relieve Seller of its obligations under these Terms. Without limiting its remedies under law or equity, Buyer at its option may require Seller either to replace defective goods at no increase in price (Seller must pay all repackaging, transportation and handling charges both ways) or to refund the purchase price and any charges in connection therewith.

9. **Indemnity** - Seller agrees to indemnify, defend and hold harmless the Buyer, its agents, and employees from and against any and all expenses, claims, demands, losses, damages, actions, or liability of any kind, including reasonable attorney's fees incurred for any and all damage or injury of any kind or nature whatever (including death) to all persons, (including those employed by Seller) or property which is caused by, arises out of, on account of, or as a result of: (i) use of the goods or services provided hereunder; (ii) breach by Seller of any of its representations, warranties, covenants and/or any agreements contained herein; (iii) any act or omission of Seller, its agents, employees, representatives or subcontractors or failure to comply with the terms hereof; or (iv) any alleged infringement of any trademark, patent, copyright or other proprietary right, by reason of the sale or use of the goods and/or services furnished under these Terms. If any of the goods or services provided pursuant to these Terms or any part thereof is held to constitute infringement and its use is enjoined, Seller shall at its own expense either procure for Buyer, its successors, assigns, and customers the right to continue using such goods or services or part thereof or replace them with a substantially equivalent non-infringing good or service. Upon demand, Seller agrees to assume on behalf of the Buyer the defense of any action, at law or in equity, which may be brought against the Buyer upon any such claim and to pay on behalf of the Buyer the amount of any judgment that may be entered against the Buyer in any such action. Seller hereby expressly waives any immunity from suit by Buyer, which may be conferred by the workers' compensation laws, or any other law of any state that would preclude enforcement of the indemnification clause of these Terms by Buyer. Seller further agrees to pay any reasonable attorney's fees incurred by the Buyer in securing compliance with the provisions of this section. Seller agrees that its obligations to indemnify under this section are distinct from, independent of, and not intended to be coextensive with its duty to procure insurance required herein.

10. **Insurance** - Seller agrees to procure and maintain the following insurance coverage: (a) Commercial General Liability insurance, including contractual liability, premises, legal liability, fire, completed operations, independent contractors, personal injury, death, property damage and product liability coverage, with limits not less than \$2,000,000 per occurrence and \$4,000,000 aggregate; (b) Commercial Auto insuring all vehicles used by Seller (including all owned, hired and non-owned vehicles) with limits not less than \$1,000,000 per occurrence; and (c) Worker’s Compensation with statutory limits and Employer’s Liability with limits not less than \$500,000 each accident and \$500,000 Disease – Each Employee. All such insurance required hereunder must be purchased from insurers with a Best’s Key Guide rating of at least A-VII or equivalent. Seller’s insurance required hereunder shall bear endorsements evidencing a waiver of the right of subrogation against Buyer, its subsidiaries and affiliated entities and their respective officers, directors, employees, stockholders, and agents (except for Worker’s Compensation where such waiver is not permitted under applicable law) and an assignment of statutory lien. Seller agrees to cause Buyer and its subsidiaries and affiliated entities and their respective officers, directors, employees, stockholders, and agents to be named as “Additional Insureds” under all such policies, except Workers’ Compensation, and provide Buyer with a certificate of insurance, together with policy endorsements evidencing Buyer’s status as additional insureds and all coverage required under these Terms and stating that the insurance will not be reduced in coverage, non-renewed or cancelled while these Terms are in effect without thirty (30) days prior written notice to Buyer. Such certificate(s) of insurance shall be delivered to Buyer upon execution of this agreement, and all renewals thereof shall be delivered to Buyer ten (10) days prior to the term of each policy. Seller’s insurance shall act and respond to all claims on a primary and non-contributory basis. Products & Completed Operations coverage shall continue in full force and effect for three (3) years following completion, expiration or termination of this Agreement. Nothing contained in these insurance requirements is to be construed as limiting the extent of Seller’s responsibility for payment of damages resulting from Seller’s sale of goods or performance of services under these Terms or otherwise. Seller shall provide for or require any subcontractor to maintain similar coverage for the subcontractor’s employees employed in connection with this Order.

11. **Compliance with Laws** – Seller warrants that Seller and the goods furnished to Buyer comply with all applicable federal, state, and local statutes, rules of law, ordinances, regulations, and regulatory orders including, but not limited to those laws governing weights, measures, and sizes, EPA requirements, and the Consumer Product Safety Improvement Act, the Fair Labor Standards Act of 1938, as amended, Walsh-Healy Act, Robinson-Patman Act, The Trafficking Victims

Protection Act of 2000 (Public Law 106-386) as amended, applicable State Workers' Compensation laws, state and federal Occupational Safety and Health Acts, the Lacey Act (16 U.S.C. § 3371 et seq., as amended) for goods containing wood fiber, all applicable United States Toxics in Packaging legislation, including EU REACH and RoHS legislation, the Dodd-Frank Act, and all rules and regulations passed pursuant to any of the foregoing, which are incorporated herein by this reference, and, if applicable, hereby guarantees that no article is adulterated or misbranded within the meaning of the Federal Food, Drug, and Cosmetic Act, or is an article which may not, under the provisions of section 404, 505, or 512 of the act, be introduced into interstate commerce. Seller agrees to annually provide to Buyer a written certification that the goods comply with the U.S. Toxics in Packaging requirements and the Lacey Act.

12. **Safety** - While on Buyer's premises, Seller and its subcontractors shall comply with Buyer's site-specific regulations and shall ensure that all of its employees, subcontractors and agents have a safe work environment. Seller is solely responsible for the safety of the employees of Seller and its subcontractors and the means and methods utilized by it or its subcontractors' employees in performing the services contemplated herein, and Seller agrees that Buyer shall have no such responsibility. In the event an employee of Seller or one of its subcontractors is injured while on Buyer's premises, Seller shall immediately notify Buyer of the time, nature, and severity of the injury and cooperate with Buyer and provide Buyer with information applicable to any investigation of such injury.

13. **Safety Data Sheet Compliance** - Seller certifies that safety data sheets ("SDS") for hazardous materials or dangerous goods furnished in accordance with all applicable regulations conform to the UN Globally Harmonized System of Classification and Labelling of Chemicals ("GHS") and agrees such SDS will promptly be provided in a legible Adobe .pdf format to Buyer pursuant to all federal, state or local laws and regulations prior to the first shipment of hazardous materials or dangerous goods and whenever there is an update to the SDS. Seller's failure to supply such SDS shall be deemed to constitute Seller's warranty and representation that each of such goods sold hereunder is exempt from such requirements.

14. **Confidentiality** - All specifications, data and other information furnished by Buyer, or its agents, to Seller in connection with these Terms or any order hereunder remain the exclusive intellectual property of Buyer and shall be treated by the Seller as proprietary and shall not be disclosed or used, except as necessary to fulfill its obligations hereunder, without prior written approval of Buyer. In addition, the purchase of the Seller's goods does not authorize the Seller to use the name of or make reference to Buyer for any purpose in any releases for public or private dissemination, nor shall the Seller divulge or use in any advertisement or publication any specifications, data, or other information pertaining to or relating to this usage without prior written approval of Buyer.

15. **Miscellaneous** - Buyer, by written notice, may terminate these Terms or an order, in whole or in part. In the event any order is terminated as a result of Seller's default, the Seller shall be liable for all damages allowed in law or equity, including the excess cost of procuring similar items. If an order is terminated for the convenience of Buyer, Seller will be compensated to the extent that items have been accepted by Buyer prior to the effective date of termination. Other than to this extent, Buyer shall not be liable to Seller for any damages on account of its failure to accept all of the items ordered. Seller may not transfer or assign these Terms, any order hereunder, any interest therein or any claim arising hereunder without the prior written consent of Buyer. Buyer may transfer or assign the benefits of these Terms or any order hereunder, in whole or in part, including without limitation the Seller's warranty, without the approval of Seller. The sections of these Terms that by their nature are intended to survive termination or expiration of these Terms will so survive, including without limitation, warranties, indemnities and confidentiality. These Terms, any order hereunder, and the rights and obligations of the parties thereto, shall be governed by the laws of the State of New York, without giving effect to its principles of conflicts of law. Seller agrees to subject itself to the courts of New York and such venue shall be exclusive regarding disputes arising out of these Terms.