



Terms and Conditions to Purchase Order

1. Acceptance; Entire Agreement: This Purchase Order, including these terms and conditions (this "Order"), constitutes Buyer's offer to purchase from Seller products (collectively "Products"), or services ("Services"). BUYER EXPRESSLY OBJECTS TO AND EXPRESSLY REJECTS ANY PROVISIONS ADDITIONAL TO OR DIFFERENT THAN THE TERMS HEREOF THAT MAY APPEAR IN SELLER'S QUOTATION, ACKNOWLEDGMENT, CONFIRMATION, INVOICE OR IN ANY OTHER PRIOR OR LATER COMMUNICATION FROM SELLER TO BUYER UNLESS SUCH PROVISION IS EXPRESSLY AGREED TO BY BUYER IN A WRITING SIGNED BY BUYER. This Order and, if applicable, any related agreement(s) such as the Business Unit Supply Agreement with Seller and the related Master (Business Unit) Supply Agreement (collectively "Related Agreements") whose terms and conditions apply to this Order, shall supersede all prior negotiations, discussions, and dealings and shall constitute the entire agreement between Buyer and Seller. In the event of a conflict between these terms and conditions and the Related Agreements, the Related Agreements shall take precedence. No change, modification, rescission, discharge, abandonment, or waiver of these terms and conditions shall be binding upon Buyer unless made in writing and signed on its behalf by a duly authorized representative of Buyer and specifically references this Order. No conditions, custom, usage of trade, course of dealing or performance, understanding or agreement purporting to modify, vary, explain, or supplement these terms and conditions shall be binding unless hereafter made in writing and signed by the party to be bound. Mistakes in prices, discounts, specifications, delivery schedules or other terms and any noticeable discrepancies in quantities or sizes are to be reported immediately by Seller to Buyer and Seller shall immediately remedy such mistakes by refunding incorrect charges to Buyer or correcting such other discrepancies, unless otherwise directed by Buyer.

2. Delivery:

- a) For all shipments in which the selling price includes freight, Seller will own the Products from its manufacturing facility to Buyer's named place of delivery and title shall not pass and delivery shall not be deemed to occur until Buyer has received the Products at Buyer's named place of delivery.
- b) For all shipments in which the Buyer is responsible for freight (FOB Plant), title shall pass, and delivery shall be deemed to have occurred at the time the freight is loaded on Buyers arranged truck.

3. Inspection; Rejected Products: Time is of the essence

- a) Transportation Damage - Buyer shall inspect all goods upon unloading and note any damage which may have occurred during transportation. Any pallets which appear to have been re-wrapped by freight carriers will not have product tamper safety features present. Tampering, damage, crushed product, damaged pallets etc. must be documented on the carrier's BOL upon receipt and Buyer must notify Seller within 48 hrs. of receipt.
- b) Warranty - Seller warrants that Product will be free from defects in design, material and workmanship, such Product will be in conformity with any applicable drawings and specifications. Payment for Products will not constitute approval or acceptance of goods or services by Buyer; Buyer's right of inspection will survive payment. Buyer reserves the right to return, at Seller's expense, any defective or nonconforming Products or shipments received contrary to this Order. If requested by Buyer, Seller will, at Buyer's option, refund the purchase price of the Products, or correct or replace, at Seller's expense, the defective or nonconforming Products. Buyer shall inspect and test the products delivered hereunder for damage, and provide seller notice of any such damage, defect, or shortage within 90 days of receipt. All claims for any cause whatsoever, whether based in contract, negligence or other tort, strict liability, breach of warranty or otherwise, shall be waived unconditionally and absolutely unless Seller receives written notice of such claim not later than ninety (90) days after the buyer's receipt of the products as to which such claim is made. Defective or nonconforming products shall be replaced by Seller without additional charge, or in lieu thereof, at Seller's option, Seller may refund the purchase price upon return of the products at Seller's expense. NOTWITHSTANDING THE ABOVE AND REGARDLESS OF THE CIRCUMSTANCES, SELLERS TOTAL LIABILITY TO THE BUYER FOR ANY AND ALL CLAIMS, LOSSES OR DAMAGES ARISING OUT OF ANY CAUSE WHATSOEVER, WHETHER BASED IN CONTRACT, NEGLIGENCE OR OTHER TORT, STRICT LIABILITY, BREACH OF WARRANTY OR OTHERWISE, SHALL IN NO EVENT EXCEED THE PURCHASE PRICE OF THE PRODUCTS IN RESPECT TO WHICH SUCH CAUSE AROSE. IN NO EVENT SHALL SELLER BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES. Any cause of action that Buyer may have against Seller and which may arise under the contract must be commenced within six months after the cause of action has accrued.

4. Discounts: Any cash discount normally provided by Seller to any buyer shall apply to the Products only, and shall not apply to freight, special project costs such as equipment, tooling, plate amortizations, or any graphic/plate charges.

5. Terms of Payment: Terms of payment shall be net 30 days from the time of shipment of the Product from the Sellers facility unless expressly acknowledged on the order acknowledgement.

Payment is deemed made for the purpose of earning the discount on the date of mailing of Buyer's check and/or the date a wire transfer or ACH payment is made by Buyer. A delinquency charge of one and a half percent (1.5%) per month will be added to any amount due and unpaid on amounts owing beyond the terms for payment. This is an annual percentage rate of 18 percent. In the event that the Buyer fails to pay any amount due pursuant to these general conditions of sale, shall pay Seller in addition to the delinquency charge, any attorney's fees or collection fees incurred in collection of amounts so due. If in Sellers judgment, reasonable doubt exists as to Sellers financial responsibility, or if Buyer is past due in payment of any amount owing to Seller, we reserve the right, without liability and without prejudice to any other remedies, to suspend performance, decline to ship, or stop any material in transit until we receive payment of all amounts, whether or not due, owing to us, or adequate assurance of such payment.

6. Insurance: Seller agrees to carry insurance covering product liability and general liability in amounts of not less than \$2,000,000.00 per occurrence. All such policies shall provide for at least thirty (30) days prior written notice, to Buyer, of cancellation, non-renewal or material change in the terms and conditions of coverage and name Buyer as an additional named insured.

7. Cancellation: Should Buyer wish to cancel all or any part of an undelivered portion of this Order, the Buyer must notify Seller in writing at their earliest opportunity. Buyer shall be responsible for all raw material, tooling, graphics, plate and other job costs which have been committed to by Seller for this order.

Cello-Wrap Packaging Inc. 200 South Hamilton Street, Farmersville TX 75442 P: 972-782-7703 F: 972-782-7590



Packaging Materials

CERTIFICATED



CELLO - WRAP

EST. 1953



PRINTING & PACKAGING

FARMERSVILLE TEXAS

8. Delayed Delivery: Should Buyer wish to delay this order or any part of an undelivered portion of this Order, the Buyer must notify Seller in writing at their earliest opportunity. Upon such a delay, Buyer shall immediately pay Seller a pre-payment for the delayed order, or portion which is to be delayed based on the following pre-payment schedule:

0% - 1 to 30 days / 25% - 31 to 60 days / 50% - 60 to 90 days / 100% - 90+ days

9. Storage: Product must be stored in a clean, dry, well-ventilated facility at a temperature between 60°F (15°C) and 82°F (28°C) at a relative humidity of 50%. Product not stored according to the Sellers recommendations may affect performance and will void warranty.

10. Force Majeure: Without limiting any other provision herein, Seller will not be liable for any delay (i) in shipment or failure to ship Product or for any damage suffered by reason thereof or (ii) in the provision of, or failure to provide, Services or for any damage suffered by reason thereof, whether such delay or failure, directly or indirectly, is due to accident (in manufacture or otherwise), fire, flood or other acts of God, labor stoppages or difficulties, pandemics, inadequate transportation facilities, shortage of materials or supplies, delay or default on the part of its suppliers, government action or any other casualty or cause beyond the reasonable control of Seller, which Seller in its discretion declares to be force majeure resulting in such delay or failure. In such event, Seller, at its option, may cancel the Agreement or delay performance thereunder for any period reasonably necessary due to the foregoing, during which time the Agreement shall remain in full force and effect. Seller shall have the further right to then allocate its available resources, materials, and Products among its customers and for its use in such manner as Seller may consider fair and equitable. In cases of the Buyer's Force Majeure, Seller may store the ordered Products at Seller's or at a third party's premises at the Buyer's risk and expense.

11. Changes: Should Buyer wish to change any specifications, drawings, delivery dates, quantities and items covered by this Order, Buyer must do so in writing at their earliest opportunity. If any such changes would materially affect the price or delivery date, Seller shall notify Buyer of such changes within 48 hours of such written notice. Should such changes to the order incur costs for plates, graphics or raw materials which have already been specifically committed to, such costs will be the responsibility of the Buyer.

12. Graphics: The Buyer is responsible to examine any graphical proofs, whether at its request or not, for errors and faults and to return them, corrected or approved, to the supplier. Approval by the Buyer constitutes acknowledgement that the supplier has carried out the work preceding the proofs correctly, or had it carried out correctly. The Seller is not liable for discrepancies, errors or faults that go unnoticed in proofs approved or corrected by the Buyer.

13. Copyright, industrial property rights and rights to reproduction: By giving an order to reproduce objects protected by the Copyright Act or any industrial property rights, the Buyer declares that the copyright or industrial property right of third parties is not being violated. The Buyer holds the Seller harmless, in and out of court, for all consequences, both financial and otherwise, arising from reproduction.

14. Ownership of means of production All means of production such as proofs, plates, ITR sleeves, plates, cylinders, sleeves, gears, perf units, and other tooling & graphic material are part of the printing press inventory and as such are the property of the Seller, even if charged. The client cannot request that these parts be surrendered to it unless the supplier has agreed to in a written contract prior to the order. The supplier is not obliged to retain such parts.

15. Discrepancies: In terms of discrepancies in quantity between the order and the delivery, there are limits of tolerance, whereby the supplier has performed appropriately if the deliveries occur within the limits stated below:

- a. 50% discrepancy between order and delivery for deliveries up to and including a net weight of 1,500 lbs,
- b. 25% discrepancy between order and delivery for deliveries with a net weight between 1,501 & 10,000 lbs,
- c. 10% discrepancy between order and delivery with a net weight of 10,000 lbs or more.

16. Confidential Information: The parties agree that each party will keep confidential all information disclosed to it by the other party or any of the other party's affiliates in connection with this Order ("Confidential Information") and will disclose Confidential Information only to those of its employees as will be directly concerned with performance under this Order. Each party agrees that it will not disclose Confidential Information it receives from the other party to any other person or entity without the express, prior written consent of the disclosing party. Each party agrees that it will protect the confidentiality of Confidential Information with the same degree of care with which it protects its own proprietary information, but with no less than reasonable care, and will return all copies (in any medium recorded) of Confidential Information to the disclosing party immediately upon written request. The parties agree that Confidential Information shall be considered commercial secrets qualified for protection under applicable law. Notwithstanding the foregoing, either party may disclose Confidential Information that must be disclosed to any government, any agency or department thereof, or any stock exchange to the extent required by law, provided it shall immediately notify the other party of such requirement and the terms thereof prior to such disclosure so that the other party may seek an appropriate protective agreement or order prior to the disclosure. The foregoing obligations will survive termination of this Order and will remain binding on the receiving party, its respective affiliates, successors and assigns forever.

17. Taxes & Duties: Any tax, excise or other governmental charge imposed upon the production, value added, sale or transportation of or to any material sold hereunder which the Seller may be required to pay, shall be paid by Buyer to Seller in addition to the purchase price. Buyer shall provide Seller, upon request, with properly completed exemption certificates for any tax from which Buyer claims exemption.

18. Entire Agreement: The terms set forth herein constitute the sole terms and conditions of the contract between the purchaser and the seller. No other warranty, term condition, or understanding, whether oral or written shall be binding upon the Buyer or Seller, unless hereafter made in writing and signed by the Seller's authorized representative. The sale of goods and the conditions of sale shall be construed pursuant to the laws of the State of Texas and shall be dealt with in the courts of Collin County. If any part of this Order shall be held to be illegal, void, or unenforceable, the remaining portions shall remain in full force and effect.

Cello-Wrap Packaging Inc. 200 South Hamilton Street, Farmersville TX 75442 P: 972-782-7703 F: 972-782-7590

