

**PPC FLEXIBLE PACKAGING LC**  
**STANDARD TERMS AND CONDITIONS**  
**OF ACCEPTANCE AND SALE**

1. Controlling Terms and Conditions. The Seller objects to, and shall not be bound by any term or condition on the Buyer's order that is different from or in addition to the Seller's terms and conditions. Any additional or different terms or conditions proposed by the Buyer are hereby expressly rejected whether or not contained in any of the Buyer's business forms or website, whether or not required as 'click through' acceptance or EDI system. No terms, conditions, description, price, quantity, specifications or delivery schedule shall be changed, and no agreement or understanding in addition to or different from the terms and conditions stated herein shall be binding upon the Seller without written authority from the Seller's authorized representative.

2. Proposals/Quotations: Proposals/quotations made by Seller are only valid in writing and for thirty (30) days from the date of the quotation unless otherwise set forth in Seller's quote. All proposals/quotations are subject to change or withdrawal without prior written notice to Buyer prior to acceptance by Buyer unless otherwise specifically stated in the quotation. Quotations are made subject to approval by Seller of Buyer's credit.

3. Price. Unless otherwise specifically agreed to in writing by Seller, all prices are exclusive of any freight costs and any sales, use, value added, excise, gross receipts, business and occupation or similar present or future taxes imposed by any governmental body on the sale, delivery, use or other handling of the goods or in connection with any transactions contemplated herein. Prices assume order quantities sufficient to meet Seller's standard minimum order requirements for applicable products. Unless otherwise agreed in writing, any variation in quantities shipped over or under the quantities ordered (not to exceed 10%) shall constitute compliance with Buyer's order and the stated price per item will continue to apply. Seller reserves the right to adjust prices on undelivered products to reflect changes in raw material costs. All orders are accepted subject to Seller's price in effect at time of shipment. All prices are F.O.B. Seller's shipping point.

4. Terms of Payment. Unless otherwise specifically agreed to in writing by Seller, terms are net thirty days from date of Seller's invoice. If the Buyer fails to pay by the due date any sum required to be paid by the Buyer to the Seller hereunder, the Buyer will pay to the Seller for each delinquent payment or part thereof interest from the due date until paid at the rate of Prime Interest Rate plus 6%, unless limited by applicable law. Seller shall also have the right, among other remedies, either to terminate the order or to suspend further performance in the event Buyer fails to make any payment when due. The Buyer shall also pay to Seller all reasonable costs and expenses (including but not limited to attorney's fees) incurred by the Seller in connection with the Seller's efforts to collect such delinquent payment(s).

5. Separate Sale. Each delivery hereunder shall be deemed a separate sale, and failure of the Seller to make delivery hereunder shall not affect this contract with respect to any other delivery hereunder.

6. Delivery. Unless otherwise specifically agreed to in writing by Seller or as provided in the Bill-and-Hold terms attached hereto in Addendum A, title, and all risk of loss or damage to goods shall, unless otherwise agreed to in writing by the parties, pass from Seller to Buyer upon delivery of goods to the carrier for delivery, F.O.B. Seller's shipping point. Any claims for shortages or damages suffered in transit shall be submitted by Buyer directly to the carrier within ten days of delivery. While Seller will use all reasonable commercial efforts to maintain the delivery date(s), al

shipping dates are approximate. Seller reserves the right to make partial shipments. Seller, at its option, shall not be bound to tender delivery of any goods for which Buyer has not provided shipping instructions. If the shipment of the goods is postponed or delayed by Buyer for any reason, Buyer agrees to reimburse Seller for any and all storage costs and other additional expenses resulting therefrom, including spoilage or obsolescence. Delivery times shall be agreed between Seller and Buyer at the time of each order, but shall in any event be subject to Seller's customary lead times. Notwithstanding the foregoing, any Buyer that requests Seller's products to be sold on a bill-and-hold basis due to business necessity must execute Addendum A to these Standard Terms and Conditions.

7. Warranties. The Seller warrants that the products delivered hereunder shall (A) conform to their specifications as previously communicated to Buyer by Seller, (B) be conveyed free and clear of any lien, security interest or encumbrance created by Seller, (C) be free from substantial defects in material and workmanship, (D) not be adulterated or misbranded within the meaning of those terms under the Federal Food, Drug and Cosmetic Act and (E) be produced according to current "good manufacturing practices". The Seller makes NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. The Buyer assumes all risks incurred in the use of any material delivered hereunder.

8. Inspection/Non-Conforming Shipments: Buyer must notify Seller of any products that do not conform to the terms applicable to their sale within fifteen days of delivery, and must afford the Seller a reasonable opportunity to inspect such products and cure any non-conformity. Failure to provide notice within such fifteen-day period shall be deemed acceptance by the Buyer. Returns must be made in accordance with the Seller's return policies in effect.

9. Force Majeure. The Seller shall not be liable for failure to make any delivery hereunder caused by or resulting from events or circumstances beyond Seller's reasonable control, including strikes, fires, floods, wars, riots, loss, destruction or unavailability of raw material, nonavailability of transportation facilities, disruption of utilities, delays of carrier, embargoes, accidents, restrictions imposed by any government or government authority. The time of the Seller to make delivery hereunder shall be extended during any period in which such delivery shall be prevented or delayed by reason of any of the foregoing causes, provided that if any delivery hereunder be so prevented or delayed for more than two (2) months either party shall have the right to cancel this Order with respect to such delivery by written notice to the other. Seller may, during any period of shortage due to any of the above circumstances, allocate its available supply of products, services, and resources among itself and its customers in such manner as Seller, in its sole judgment, deems fair and equitable and/or eliminate any/all quantities of product(s) affected from this contract without liability.

10. Limitation on Damages. SELLER PARTY SHALL NOT BE LIABLE TO BUYER FOR ANY SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (including loss of anticipated profits, business interruption, loss of use or revenue, cost of capital or loss or damage to property or equipment) arising in any way from the relationship of the parties or the production, sale or delivery of the goods by Seller. Seller's liability to Buyer shall be in all cases limited to the price paid by Buyer for goods or services provided by Seller relating to the claims for damages. Seller will not be liable to Buyer for any loss, damage, or injury to

persons or property resulting from the handling, storage, transportation, resale, or use of its products after delivery or from the design of products to the extent provided by Buyer. Buyer may not set off any payments due hereunder against any other amounts Seller or its affiliate may owe to Buyer.

11. Intellectual Property. All drawings, know how, inventions, devices, developments, processes, copyrights, trademarks, patents and applications therefore, and other information or intellectual property disclosed or otherwise provided to Buyer by Seller, including intellectual property developed by Seller as a part of its relationship with Buyer, and all rights therein will remain the property of Seller and will be kept confidential by Buyer in accordance with these terms and conditions. Buyer shall have no claim to, nor ownership interest in, any intellectual property and such information, in whatever form and any copies thereof, shall be promptly returned to Seller upon written request of Seller. Buyer shall indemnify and hold Seller harmless against any and all claims, demands, suits and/or costs whatsoever arising out of or relating to any violation or infringement or any alleged violation or infringement of any patent, trademark, or copyright in relation to any product manufactured in accordance with any designs and/or specifications provided by Buyer.

12. Termination. The Seller shall have the right in its sole discretion, by notice given to the Buyer, to terminate any order upon the occurrence of any direct or indirect, voluntary or involuntary, sale, lease, transfer, assignment, merger, consolidation or other disposition of the Buyer's assets, it being understood that in the event such shall occur (and without prejudice to the termination remedy specified), (x) the Buyer shall remain fully liable for its obligations under this Agreement, and (y) the transferee of such assets or such facility shall also be liable for all obligations of the Buyer under this Agreement. In addition, Seller may cancel any purchase order or releases thereunder that are not scheduled for shipment within the succeeding thirty days. If Buyer notifies Seller of Buyer's intention not to fulfill any obligation under a purchase order, Buyer shall be liable to Seller for all finished goods, work in process, and unique or surplus raw materials and supplies produced or ordered in reliance on such purchase order. Any and all purchase orders for tooling, fixtures and equipment shall be paid for at the contract price, regardless of the stage of completion.

13. Liquidation. Without limiting any other rights that may be available to the Liquidating Party, in the event (each, a "Default") that a party hereto (the "Defaulting Party") is the subject of a bankruptcy, insolvency, reorganization or other similar proceeding, or fails to pay its debts generally as they become due or otherwise is bankrupt or insolvent, then the other party (the "Liquidating Party") shall have the right to liquidate an undelivered, unpaid transaction for material(s), cancel any outstanding orders and/or to liquidate any or all other agreements between the parties for the purchase and sale of material(s) or swaps with respect to the prices thereof or options on any of the foregoing then outstanding that relate in any way to goods to be produced under the order.

14. Confidential Information. All information furnished or made available by Seller to Buyer in connection with the subject matter of these terms and conditions, Seller's quotation, or Buyer's purchase order shall be held in confidence by the Buyer. Buyer agrees not to use such information or disclose such information to others without Seller's prior written consent. The obligations in this paragraph will not apply to any information in the public domain which Buyer can show by written records was in Buyer's possession prior to disclosure by Seller, or any information which is legally made available to the Buyer by or through a third party

having no direct or indirect confidentiality obligation to Seller with respect to such information.

15. Entire Agreement. This order contains the entire agreement between the parties and supersedes any prior oral or written agreements or communications between them relating to the subject matter hereof.

16. No Assignment; Waiver. The Buyer may not transfer, assign, pledge or otherwise dispose of this order, or any interest or right hereunder, without the express written consent of the Seller. Waiver by the Seller of the operation of any provision of these terms or of any breach by the Buyer shall not constitute a continuing waiver.

17. Severability: If any provision herein shall be held to be unlawful or unenforceable, the remaining provisions herein shall remain in full force and effect.

18. Choice of Law. This Order shall be governed by and construed in accordance with the laws of the State of Texas without regard to conflicts of laws. Any controversy or claim arising out of or relating to this Order shall be submitted to arbitration in Dallas, Texas in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

19. Exclusion of UN Convention. Unless otherwise agreed by Buyer and Seller in writing, there is excluded from this sale the application of the United Nations Convention on Contracts for the International Sales of Goods.