

## SHRINK PACKAGING SYSTEMS CORPORATION CONDITIONS OF SALE

1. This instrument contains the entire agreement between Shrink Packaging Systems Corporation (hereafter referred to as the Seller) and the Buyer. There are no representations, understandings, agreements, warranties, oral or written which are not included herein. Seller's acceptance of Buyer's order is expressly limited to the terms herein. Any additional or different terms set forth in the Buyer's purchase order or elsewhere are hereby rejected unless expressly assented to in writing. This agreement can not be modified or rescinded except by the authorized representatives of both parties in writing. Buyer's acceptance of delivery and/or use of the equipment and/or products constitute Buyer's agreement to these Terms and Conditions of Sale.
2. Delivery shall be deemed made and title to the goods shall pass to the Buyer when goods are tendered directly to the Buyer or to the carrier at the point of shipment (FOB Seller). Any delivery date which may be specified herein is approximate and may vary within reasonable limits. Delivery may be in lots determined by the Seller.
3. The Seller shall not be liable for any failure to deliver hereunder, where such failure is occasioned by strike, lockouts, riots, fire, acts of God, embargoes, failures to secure materials from usual sources of supply, accidents, war, government actions, or any other circumstances beyond Seller's control which prevents Seller from making deliveries in the normal and usual course of business.
4. Failure on the part of the Seller to deliver any shipment according to the terms of this agreement shall not affect this agreement with respect to other shipments or any of the Buyer's obligations hereunder. Any adjustment made on any shipment not delivered according to the terms of this agreement shall have no effect on any other shipment provided herein. The Seller or Buyer's failure to insist upon strict performance of any provision of this agreement shall not be deemed to be a waiver of the Seller's or Buyer's respective rights or remedies, nor a waiver by the Seller or Buyer respectively, of any subsequent default by the other on the performance of, or compliance with this agreement. Buyer and Seller may exercise any or all of their remedies successively or concurrently.
5. In the event Seller is prevented by any contingency from supplying the full quantity of goods that it is at such times contractually required to supply to its customers the Seller shall have the right, at its discretion to allocate production and deliveries among its customers. In that event, this agreement shall be binding on the Buyer and Seller for the quantity allocated.
6. Any and all shipments made against this order will be on the basis of prices prevailing at the time the order is entered and/or acknowledged by the Seller.
7. Prices stipulated herein are subject to change by the Seller from time to time to the extent of increases resulting directly or indirectly from any present or future legislation and/or governmental laws of any nature, or any taxes by Federal, State, or local governments affecting raw material costs, working hours, wages and/or production. The Seller may modify shipments to the extent necessitated by any such legislation, tax, regulation or action to the extent that any of the foregoing affect deliveries by the Seller's suppliers. The Buyer agrees in addition to absorb or reimburse the Seller, on demand, for any excise, sales or US taxes incident to this transaction for which the Seller may be liable. The Seller shall be under no obligation to contest the liability of such tax or exaction or to prosecute any such claims for refund or return.
8. Seller represents that with respect to production of the articles and/or the performance of the services covered by this order it has fully complied with Section 12(A) of the Fair Labor Standards Act of 1938, as amended.
9. In the event Buyer fails to fulfill previous terms of payment or in case Seller shall have any doubt at any time as to Buyer's financial responsibility, Seller may decline to make further deliveries except upon receipt of cash or other special arrangements.
10. If the Buyer becomes bankrupt or insolvent, Seller may upon notice to the Buyer terminate further performance under this agreement. Such termination shall not prejudice Seller's rights to any amounts then due under this agreement for goods delivered or in process.
11. Upon Buyer's default in payment for any shipment hereunder, Seller may give Buyer written notice of its obligation to pay the full amount then due and owing within five (5) days. If the Buyer does not comply with such notice, the Seller may cancel without liability this and/or any or all other contracts then existing between the parties. Upon such cancellation, the Seller may resell any goods so contracted for whether finished or in process and recover from the Buyer the difference between the resale price and the contract price together with incidental damages allowed by law.
12. Seller accepts this order from Buyer on a non-cancelable basis. Goods sold hereunder are returnable to Seller only upon Seller's written determination as to their defective workmanship.
13. Seller represents the manufacturer's warranty only as contained within the quotation. This warranty shall not apply to any goods which have been (a) altered or modified in any way by the Buyer or third party; (b) subject to misuse, negligence or accident; or (c) operated in a manner contrary to Seller's instructions.

EXCEPT FOR THE AFORESTATED WARRANTY, SELLER MAKES NO OTHER WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY AND NO IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

14. Seller's liability, whether in contract or in tort, arising out of warranty, instructions or defects of any nature shall be limited to repairing or replacing, as the Seller may elect, any equipment or equipment part manufactured or provided by the Seller which is returned to the Seller. Labor to remove and to replace defective parts and all return freight costs are Buyer's responsibility. Repair or replacement shall be limited only to that equipment or those equipment parts which examination discloses to the Seller's satisfaction are defective in material or workmanship, provided the express warranty stated above has not expired before such equipment or equipment part is returned for repair or replacement. Buyer's remedy, as provided in this paragraph, is expressly agreed to be exclusive. In no event shall the Seller be liable for incidental or consequential damages.
15. Except for designs furnished by and paid for by the Buyer, no rights in patents and designs on goods covered by this contract pass to the Buyer except as an integral part of the goods. The Buyer shall not copy or cause to be copied or reproduced, either directly or indirectly, any such patents or designs.
16. Seller agrees to indemnify Buyer, its customers, and agents against liability, including reasonable costs and expenses approved in advance by Seller, for or by reason of actual or alleged infringement of any patent arising out of the manufacture, use, sale or delivery of the products furnished under this order. Buyer shall notify Seller, as soon as practical, of any claim of infringement received by it. Seller shall be responsible for no costs or expenses incurred by Buyer prior to thirty (30) days after receipt by Seller of such notice. This indemnity provision shall not apply to any goods which have been repaired by the Buyer or a third party; or altered or modified in any way by the Buyer or third party.
17. Buyer agrees to protect and indemnify Seller from any patent infringement claims on any such patents or designs furnished to Seller by Buyer.
18. Seller shall not be responsible to indemnify Buyer against liabilities for damage, injury or death unless such indemnification is specifically agreed to by the Seller in writing.
19. Failure of the Buyer to present a written claim stating any and all alleged deficiencies with respect to any shipment within ten (10) days of receipt hereunder shall constitute a waiver of all claims with respect thereto.
20. All invoices shall be dated as of the delivery date determined in accordance with paragraph 2 above. Each invoice shall be paid in accordance with its terms regardless of any claims by either party regarding any other invoice or the goods shipped thereunder.
21. Buyer's obligations and rights pursuant to this agreement are not assignable without the written consent of the Seller.
22. Due to production requirements, Seller cannot approve any changes in the specifications for goods covered by this agreement unless such changes in specifications are requested in writing. If such requested changes in specifications are not acceptable to Seller, Seller may cancel this order upon notification to the Buyer.
23. Seller shall not be responsible for the compliance of any equipment or equipment parts with any federal, state, or local safety and/or environmental regulations or standards, unless such compliance has been specifically agreed to by Seller.
24. COPYRIGHT OWNERSHIP: The combination of facts, data, and assumptions as submitted in this tabulation, drawings or proposal are of a proprietary nature and are protected by Copyright. It is being made available to the recipient for the sole purpose of examination, consideration, and study for possible acceptance as part of a contract between the recipient and Shrink Packaging Systems Corporation. Transmittal of this data to other parties or any other use other than a contract between the parties will constitute both copyright violation and acceptance of the data as engineering services rendered and will be charged for at currently accepted consulting engineering rates.
25. This agreement shall be interpreted in accordance with, and the rights and duties of the parties in connection herewith shall be governed by, the laws of the State of New York.