

PreZero Packaging, LLC

Terms and Conditions of Sale

1. Unless otherwise agreed in writing by PreZero US Packaging, LLC ("Seller"), these terms and conditions of sale (these "Terms") shall be the only terms that govern the sale of the goods ("Goods") by Seller to buyer ("Buyer"). The accompanying confirmation of sale or invoice and these Terms comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. These Terms prevail over any of Buyer's general terms and conditions of purchase regardless of whether or when Buyer has submitted its purchase order or such terms. Fulfillment of Buyer's order does not constitute acceptance of any of Buyer's terms and conditions and does not serve to modify or amend these Terms.

2. Prices shall be determined based on price levels of Seller at time of shipment. All Prices are exclusive of all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any governmental authority on any amounts payable by Buyer. Buyer shall be responsible for all such charges, costs, and taxes; provided, that, Buyer shall not be responsible for any taxes imposed on, or with respect to, Seller's income, revenues, gross receipts, personnel, or real or personal property or other assets. Unless otherwise specified in Seller's invoice, the purchase price for the Goods and all other amounts due to Seller in connection with the purchase of such Goods shall be due and payable to Seller no later than thirty (30) days after the date of Seller's invoice. All past due accounts accrue interest at 1.5% per month or the maximum rate permitted by law. Buyer shall reimburse Seller for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees. Buyer shall have no right to withhold payments due to Seller under any contract by reason of complaints alleged in respect to any contract.

3. Seller reserves the right to vary contract deliveries as follows: (i) to deliver quantities within a ten- percent (10%) margin of those ordered and to vary the invoice amount accordingly; and (ii) to meet Buyer's specifications as to color and size subject to reasonable commercial variation at the price quoted. Deviations in surface weight shall be tolerated by the Buyer to the same extent as the Seller is required to tolerate such deviations pursuant to the terms applicable to the purchase by Seller of the materials used. Provided such terms do not contain any provision to the contrary, the following tolerances shall apply in connection with the plastic film thickness: (i) smaller than 15 μm : +/- 25%; (ii) from 15 μm to 25 μm : +/- 15%; and (iii) above 25 μm : +/- 13%.

4. All quantities stated on packs are approximate only.

5. Cancellation of any order for whatever cause can be made only with Seller's consent and with payment by Buyer of all costs incurred by Seller.

6. The Goods will be delivered within a reasonable time after the receipt of Buyer's purchase order. Seller shall not be liable for any delays, loss, or damage in transit. In no case is Seller ensuring delivery on or by a fixed date. Failure by Seller to deliver by the quoted or specified time shall not constitute ground for the termination of the order by Buyer or entitle Buyer to any claims by reason of such failure. Seller may, in its sole discretion, without liability or penalty, make partial shipments of Goods to Buyer. Each shipment will constitute a separate sale, and Buyer shall pay for the units shipped whether such shipment is in whole or partial fulfillment of Buyer's purchase order.

7. Title to and ownership of the Goods sold shall remain vested in Seller until payment of the purchase price in full by Buyer. Delivery terms will be as set forth on the accompanying confirmation of sale. As collateral security for the payment of the purchase price of the Goods, Buyer hereby grants to Seller a lien on and security interest in and to all of the right, title, and interest of Buyer in, to, and under the Goods, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under California Uniform Commercial Code.

8. Artwork, designs and blocks and other proprietary documents and materials supplied by Seller shall remain the property of Seller.

9. Buyer shall inspect the Goods upon receipt. Buyer will be deemed to have accepted the Goods unless it notifies Seller in writing of any Nonconforming Goods within fourteen (14) days of receipt and furnishes such written evidence or other documentation as reasonably required by Seller. "Nonconforming Goods" means Goods shipped that are different than identified in Buyer's purchase order, other than with respect to the tolerated deviations pursuant to Section 3 of these Terms. If Buyer timely notifies Seller of any Nonconforming Goods, Seller shall be afforded an opportunity to examine the Goods in the state in which they were delivered within seven (7) days from receipt of the notice of complaint. After such examination, Seller, in its sole discretion, shall (i) replace such Nonconforming Goods with conforming Goods, or (ii) credit or refund the Price for such Nonconforming Goods, together with any reasonable shipping and handling expenses incurred by Buyer in connection therewith. Buyer shall ship, at its expense and risk of loss, the Nonconforming Goods to Seller's facility. If Seller exercises its option to replace Nonconforming Goods, Seller shall, after receiving Buyer's shipment of Nonconforming Goods, ship to Buyer, at Buyer's expense and risk of loss, the replaced Goods. Buyer acknowledges and agrees that the remedies set forth in this Section are Buyer's exclusive remedies for the delivery of Nonconforming Goods.

10. Seller warrants to Buyer that for a period of one year from the date of shipment of the Goods, that such Goods will materially conform to Buyer's specifications and will be free from material defects in material and workmanship. EXCEPT FOR THE WARRANTY SET FORTH IN THIS SECTION, SELLER MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS, INCLUDING ANY (I) WARRANTY OF MERCHANTABILITY; (II) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; OR (III) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE. Seller shall not be liable for a breach of the warranty set forth in this Section if the defect arises because Buyer failed to follow Seller's oral or written instructions as to the storage, use or maintenance of the Goods or Buyer alters or repairs such Goods without the prior written consent of Seller. THE REMEDIES SET FORTH IN THIS SECTION SHALL BE THE BUYER'S SOLE AND EXCLUSIVE REMEDY AND SELLER'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTY SET FORTH HEREIN.

11. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE OR PROFIT OR LOSS OF DATA OR DIMINUTION IN VALUE, OR FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THESE TERMS, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SELLER FOR THE GOODS SOLD HEREUNDER.

12. In addition to any remedies that may be provided under these Terms, Seller may terminate this agreement with immediate effect upon written notice to Buyer, if Buyer: (i) fails to pay any amount when due and such failure continues for 30 days after Buyer's receipt of written notice of nonpayment; (ii) has not otherwise performed or complied with any of these Terms, in whole or in part; or (iii) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors.

13. Buyer shall indemnify Seller against all liability for damage, penalties, costs, and expenses to which Seller may become liable in respect of: (i) any words, description, trademark, devices, and other matter printed at Buyer's request or specification on the Goods: or (ii) any adverse effects upon goods packed in Seller's Goods.

14. Seller shall not be liable for any default or delay in performance if caused, directly or indirectly, by fire, flood, earthquakes, acts of God, stricken, riots or civil disorders, unavoidable casualty, governmental order or state of war, accidents, interruption of transportation facilities or delays in transit, supply shortages, failure of any party to perform any contract with Seller relative to the production of the Goods, or any other cause, whether similar or dissimilar to the causes enumerated herein, beyond the reasonable control of Seller. If Buyer has a pending order, Seller shall notify Buyer of the happening of any such contingency within a reasonable period of time. If due to excusable delay, performance

cannot be completed within the original period for performance, the period of performance shall be extended for a reasonable period of time to allow completion of performance.

15. Any taxes which Seller may be required to pay or collect under any existing or future law upon or with respect to the sale, purchase, delivery, storage, processing, or consumption of any material covered hereby, including taxes upon or measured by the receipt from the sale thereof, shall be for the account of Buyer who shall promptly pay the amount hereof to Seller upon demand.

16. Buyer shall comply with all applicable laws, regulations, and ordinances. Buyer shall maintain in effect all the licenses, permissions, authorizations, consents, and permits that it needs to carry out its obligations under these Terms. Buyer assumes all responsibility for shipments of Goods requiring any government import clearance. Seller may terminate these Terms if any governmental authority imposes antidumping or countervailing duties or any other penalties on Goods.

17. During the term of these Terms and for a period of three years thereafter, Buyer shall, at its own expense, maintain and carry adequate insurance in full force and effect with financially sound and reputable insurers.

18. No waiver by Seller of any of the provisions of these Terms is effective unless explicitly set forth in writing and signed by Seller. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from these Terms operates or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power, or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

19. All non-public, confidential or proprietary information of Seller, including but not limited to specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, pricing, discounts, or rebates, disclosed by Seller to Buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with these Terms is confidential and may not be disclosed or copied unless authorized in advance by Seller in writing. Upon Seller's request, Buyer shall promptly return all documents and other materials received from Seller. Seller shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (i) in the public domain; (ii) known to Buyer at the time of disclosure; or (iii) rightfully obtained by Buyer on a non-confidential basis from a third party.

20. Buyer shall not assign any of its rights or delegate any of its obligations under these Terms without the prior written consent of Seller. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Buyer of any of its obligations under these Terms.

21. The relationship between the parties is that of independent contractors. Nothing contained in these Terms shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

22. These Terms are for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of these Terms.

23. All matters arising out of or relating to these Terms are governed by and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than those of the State of California.

24. Any legal suit, action, or proceeding arising out of or relating to these Terms shall be instituted in the federal courts of the United States of America or the courts of the State of California, county of Butte, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. In the event of suit or any other legal and/or administrative action brought by the parties herein to enforce their legal rights, the prevailing party is entitled to recovery of reasonable attorney's fees, collection agency costs, and court costs.

25. All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the order confirmation or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in these Terms, a Notice is effective only (i) upon receipt of the receiving party, and (ii) if the party giving the Notice has complied with the requirements of this Section.

26. If any term or provision of these Terms is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of these Terms or invalidate or render unenforceable such term or provision in any other jurisdiction.

27. Provisions of these Terms which by their nature should apply beyond their terms will remain in force after any termination or expiration of these Terms including, but not limited to, the following provisions: 16, 17, 19, 23, 24, and 27.