

## STANDARD TERMS AND CONDITIONS OF PURCHASE

**1. ORDERS.** This order is an offer by American Industrial Plastics, LLC ("AIP") to the parties to whom the order is addressed ("Seller") to purchase the goods and/or services ("Products") designated on the face of this order or attached writing and shall be the complete and exclusive agreement between AIP and Seller for such Products. The sole manner of acceptance shall be by performance. These Standard Terms and Conditions of Purchase (the "Terms and Conditions") supersede all prior representations, quotations, proposals, orders, agreements or understandings with the exception of fully executed supply or pricing agreements. By accepting AIP's purchase order, Seller has agreed to these Terms and Conditions in their entirety (the "Contract"). Confirmation orders, invoices or similar documents submitted by Seller that modify, add to, or are inconsistent with these Terms and Conditions shall not constitute a counter-offer and are deemed to be material alterations of AIP's purchase order and are expressly rejected and of no force or effect. In no event will AIP be deemed to have in any way changed, enlarged or modified its liabilities or obligations as fixed by these Terms and Conditions except by a written amendment executed by an officer of AIP. No purchase order is valid unless:

- (i) It is placed on AIP's official purchase order form, and
- (ii) AIP has not withdrawn the order.

**2. PRICES.** All prices are in U.S. dollars unless otherwise noted. Payment may be made within forty five (45) days after receipt by AIP of the ordered and conforming Products. All prices are quoted FOB AIP's requested delivery destination unless otherwise noted by AIP. Prices quoted by Seller shall include sales, excise, municipal, state or any other government taxes. All taxes and other governmental charges upon the production, manufacture, distribution, sale or use of the Products, to the extent required or not forbidden by law to be paid by Seller, shall be paid by Seller.

**3. VOLUME PROJECTIONS AND QUANTITY.** Seller acknowledges that any estimates, forecasts or projections of future anticipated volume or quantity requirements for Products provided by AIP are provided for information purposes only and may change over

time. If quantities and delivery schedules are not specified in the Contract, they will be as reasonably determined by AIP and stated in AIP's firm releases issued to Seller from time to time. If Seller is supplying AIP under a vendor managed inventory system pursuant to this Contract, Seller shall maintain AIP's supply at required levels as indicated through the vendor managed inventory system at all times during the terms of this Contract.

**4. SHIPPING.** Seller shall use the carrier designated by AIP. Seller shall comply with all applicable regulations or other legal requirements concerning the manufacture, packaging, packing and delivery of the Products. Any additional shipping expenses as a result of Seller's backorders or shipments of a lesser quantity than specified shall be paid by Seller unless AIP authorizes such shipping expenses in writing. The Products shall be properly packed and secured in such a manner as to reach their destination in good condition under normal conditions of transport. Shipping documents, including Seller's invoice, must accompany each shipment and be transmitted to the freight forwarder in a timely manner. Seller shall bear all risk of loss until Products are delivered to AIP (including off-loading and stacking) and accepted. AIP shall not be obligated to return to Seller any packaging or packaging materials for the Products, whether or not any Products are accepted by AIP.

**5. TIME.** Seller shall deliver the Products at the time specified in the Contract which shall be during normal business hours. AIP, without penalty or liability to Seller, shall have the right to reschedule or postpone any delivery of Products. Time shall be of the essence of the Contract. Seller understands and acknowledges that late or nonconforming delivery will obligate Seller to pay direct, incidental and consequential damages to AIP. If for any reason AIP is unable to accept delivery of the Products at the time when they are due for delivery Seller shall, if its storage facilities permit, store the Products in a secure manner until AIP is ready to accept delivery and AIP shall pay Seller's reasonable charges for storage.

**6. CANCELLATION.** AIP may cancel any purchase order upon written notice to Seller. In the

event of such cancellation, AIP is responsible to Seller only for the cost of any finished goods or work in process that corresponds to AIP's purchase order.

Termination of the Contract for any reason shall be without prejudice to rights of AIP accrued prior to termination.

**7. ON-SITE WORK.** In the event that Seller or its representatives are performing installation or other on-site services related to the purchase of any goods by AIP, then AIP may issue additional specifications and conditions to such on-site services. Seller shall indemnify AIP and hold it harmless against all claims or losses resulting from any personal injury or property damage claim resulting from any work performed by Seller's employees, agents or subcontractors at AIP's premises.

**8. WARRANTIES. Seller expressly warrants to AIP that all Products or goods sold shall:**

- (i) Conform as to quantity, quality and description with the specifications contained in the Contract;
- (ii) Be free of all defects in design, materials and workmanship;
- (iii) Be equal in all respects to the samples, patterns, drawings, or specification provided or given by either party;
- (iv) Be capable to any standard or performance specified in the Contract;
- (v) Comply with all statutory requirements and regulations relating to the Products;
- (vi) If the purpose for which they are required is indicated in the Contract or known by Seller, either expressly or by implication, be fit for that purpose. The warranties under this section will be effective for the longer of: (a) the period provided by applicable law where the Products are used; or (b) the warranty period provided by AIP to its customers.
- (vii) In addition to the remedies available to AIP through this Contract or applicable law, the Seller is liable to pay for all associated costs incurred by AIP due to the supply of non-compliant Products.

Seller shall repair any defects during the applicable warranty period at Seller's cost and expense (including, without limitation, all parts, labor and transportation costs) immediately after being

notified of any such defect by AIP. The warranties and remedies contained herein supplement the warranties and remedies provided by the Uniform Commercial Code or other applicable law which shall not be disclaimed or limited. All warranties contained in this Contract shall run, and all remedies shall be available to, AIP, its Affiliates (as defined below) and/or customers, and all such warranties shall survive any delivery, inspection, acceptance or payment by AIP.

**9. INSPECTION AND TESTING.**

- (i) Before delivering the Products, Seller shall carefully inspect and test them for compliance with specifications.
- (ii) Seller shall also at the request of AIP supply to AIP a copy of Seller's test sheets and/or inspection reports certified by Seller to be a true copy. In such instances, Seller shall retain the original documents for a period of ten (10) years.
- (iii) AIP shall be entitled to inspect and test the Products during manufacture, processing or storage. If this right is exercised, Seller shall provide or shall procure the provision of all such facilities as may reasonably be required for such inspections and tests. AIP shall have five (5) years from receipt of Products from Seller to bring any claim for defective or non-conforming goods.

**10. REJECTION.**

- (i) AIP may reject or revoke acceptance of the Products if Seller fails to comply with its obligations. AIP reserves the right to inspect, reject and/or revoke regardless of any prior payment for the Products or the placement of the Products into use for all defects that were not actually discovered by AIP prior to payment or use.
- (ii) AIP at its sole option may return the rejected or non-conforming Products to Seller at Seller's risk and expense. In such case, Seller shall within a reasonable time replace such rejected Products with conforming Products. AIP may alternatively require Seller to remove, repair and/or replace the defective Products or parts thereof on site without cost to AIP.
- (iii) Seller shall return to AIP any amounts paid to Seller for rejected or non-conforming Products that have been returned to Seller but not replaced.
- (iv) Where AIP agrees to accept delivery of the Products by installment, the Contract will be construed as a single contract. Nevertheless failure

by Seller to deliver any one installment shall be a material breach of the whole Contract.

(v) The above provisions are in addition to and not in substitution for any other remedies that AIP may have under applicable law.

#### **11. CARE AND RETURN OF PATTERNS, DIES, ETC.**

(i) All patterns, dies, molds, or any other tooling and any materials supplied by AIP or prepared or obtained by Seller for and at the sole cost of AIP, shall be and remain the property of AIP.

(ii) Seller shall maintain all such items in good order and condition and insure them against all risks while in Seller's custody and on completion of the order, or as otherwise directed by AIP, shall return them to AIP in good order and condition.

(iii) Seller must have, or put in place systems to ensure that AIP's property is clearly identifiable and where possible must be physically marked as such.

#### **12. SAFETY AND STATUTORY REQUIREMENTS.**

(i) Seller warrants that the design, construction and quality of the Products to be supplied to AIP comply in all respects with all safety and other requirements by any statute, statutory rule or order, or other instrument having the force of law, which may be in force at the time when the same are supplied. Seller shall comply with all environmental laws and regulations that apply to the Products supplied by Seller to AIP. Seller agrees to provide AIP with Material Safety Data Sheets and Certificate of Analysis when applicable.

Seller shall give AIP prior written notice of:

(a) any delivery of the Products or items accompanying the Products having toxic or other hazards to the safety or health of persons or property and shall provide full details of such hazards and of all precautions which should be taken by AIP in respect of the delivery, storage, handling, installation and use of the Products or items and provide AIP with all information relating to the properties of the Products or items to enable AIP to comply with all relevant legislation relating to the Products or items and/or such hazards; and  
(b) any delivery of Products which are perishable or of limited lifespan and of any circumstances which may adversely affect the lifespan of such Products.

**13. INFRINGEMENT OF PATENT, TRADEMARK AND OTHER RIGHTS.** Seller shall indemnify AIP against all actions, claims and demands, costs, charges and expenses arising from and incurred by reason of any infringement or alleged infringement of any intellectual property rights including patent, design patents, trademarks or copyrights by the use or sale of any Products supplied by Seller.

**14. USE OF INFORMATION.** All designs, drawings, specifications and information supplied by AIP in connection with any order are confidential. All such designs, drawings, specifications and information and any copies thereof must be returned to AIP on completion of the order.

**15. CONFIDENTIALITY.** If the parties have entered into a Confidentiality or Non-Disclosure Agreement ("NDA"), the terms and conditions of the NDA shall apply and control for confidentiality obligations between the parties. In the absence of a NDA, Seller may have access to AIP's confidential information including, without limitation, inventions, developments, know how, specifications, business plans, results of testing, systems, financial information, product information, method of operation, customer information, supplier information and compilations of data ("Confidential Information"). Seller shall use AIP's Confidential Information only for the purpose contemplated under this Contract and shall not disclose it to third parties or otherwise use it to its own advantage or AIP's detriment. Confidential Information shall not include information which: (a) at the time of disclosure is publicly available, or after disclosure becomes a part of the public domain without breach of this Contract by Seller; (b) was known to Seller prior to its receipt from AIP as evidenced in writing; or (c) is developed by Seller independently of and without reference to its access to Confidential Information. Seller is permitted to disclose AIP's Confidential Information to its employees and authorized subcontractors on a need to know basis only; provided that such employees or authorized subcontractors have written confidentiality obligations to Seller no less stringent than the confidentiality obligations under this section. Seller shall return AIP's Confidential Information and shall not use AIP's Confidential Information for its own or any third party's benefit.

Seller's confidentiality obligations shall survive termination of the Contract for so long as AIP's Confidential Information remains confidential. AIP shall be entitled to injunctive relief including, but not limited to, preliminary, temporary or permanent injunctions from any court of competent jurisdiction as may be necessary to enjoin any violation of this section without the necessity of proving immediate irreparable harm or any inadequate remedy at law.

**16. ASSIGNMENT, WAIVER, ENTIRE AGREEMENT, SEVERABILITY.** Neither party shall assign or delegate any of its rights or obligations under this Contract without the prior written consent of the other party, which such consent shall not be unreasonably withheld, except that either party may assign or delegate its rights or obligations hereunder to an Affiliate without the other party's consent. As used herein, the term "Affiliate" shall mean any entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the entity specified. AIP may terminate this Contract upon written notice to Seller without any further liability to Seller if there is a change of control of Seller. The Contract constitutes the entire agreement between the parties with respect to its subject matter, and supersedes all prior oral or written representations or agreements by the parties with respect to the subject matter of this Contract. Except as authorized in Section 1, neither the Contract nor any of its provisions may be modified, amended or waived, whether orally, through the parties' course of performance, course of dealing or course of conduct, or manifested in any other way, unless in writing and signed by authorized representatives of both parties. It is the express intention of the parties that such requirement for written modifications, amendments or waivers be strictly enforced notwithstanding judicial precedent or statutory provisions to the contrary. Any provision found invalid or unenforceable will not affect the validity or enforceability of any other provision and the invalid provision may be judicially modified to the extent enforceable. The failure of AIP to insist in any one or more instances, upon the performance of the Contract or the failure of AIP to exercise any of its rights hereunder shall not be construed as a waiver or relinquishment of any such terms, conditions or rights and shall not effect AIP's right to insist on

strict performance and compliance with regard to any future performance of the Contract.

**17. INDEPENDENT CONTRACTOR STATUS.** AIP and Seller are independent contractors. Nothing in this contract makes either party the agent or legal representative of the other party for any purpose. Neither party has authority to assume or to create any obligation on behalf of the other party.

**18. DEFAULT, BANKRUPTCY OR LIQUIDATION.** If Seller commits any breach of the terms and conditions of the order, becomes insolvent, is subject to the Bankruptcy courts, enters into an arrangement with its creditors, is put into liquidation or has a receiver appointed, AIP may, without prejudice to any other rights which may have accrued or which shall accrue to it:

- (i) terminate the order simply by notice in writing to Seller; or
- (ii) give any such receiver or liquidator or other person the option of carrying out the order on such terms as AIP may specify.

**19. INDEMNITY AND INSURANCE.** Seller shall indemnify AIP against all damage or injury to any person or to any property (including the goods themselves) and against all actions, suits, claims, demands, costs, charges or expenses arising out of the Products supplied by Seller. Seller shall maintain the following kinds of insurance with the minimum limits described below:

- a. Commercial General Liability Insurance with a minimum Limit of Liability of \$1,000,000 each occurrence, \$1,000,000 Products/Completed Operations Aggregate Limit and \$5,000,000 General Aggregate Limit.
- b. Commercial Automobile Liability Insurance including Owned, Hired and Non-Owned Vehicles with a minimum limit of \$1,000,000 each accident.
- c. Workers' Compensation Insurance, which provides Statutory Benefits and Employers Liability Insurance with limits of \$500,000 (each accident and each employee by disease).
- d. Any other insurance as may be required by law.

Before beginning performance of this Contract, Seller shall furnish insurance certificates as directed by AIP, satisfactory in form and substance to AIP, showing the above coverage, and identifying AIP as a certificate holder.

**20. SET OFF.** AIP shall be entitled to apply any sum due from AIP to Seller in settlement of any sum due from Seller to AIP or to any other company related or affiliated with AIP.

**21. FORCE MAJEURE.** Neither party shall be liable to the other party for delay in scheduled delivery or failure in performance caused by acts beyond such party's reasonable control without fault or negligence of such party, such as, without limitation, flood, war, embargo, acts of terrorism, riot or the intervention of any governmental authority ("Event of Force Majeure"), provided such party presents a claim and notice in writing to the other party within twenty-four (24) hours of such party becoming aware that an Event of Force Majeure may delay or interrupt performance hereunder. If Seller is unable to perform for any reason, AIP may purchase Products from other sources and reduce its purchases from Seller accordingly without liability to Seller.

**22. CHOICE OF LAW.** All transactions shall be governed by the laws of the State of Florida, United States of America, excluding conflict of law rules. The provisions of the United Nations Convention on Contracts for the International Sale of Goods shall not apply.

**23. EQUAL OPPORTUNITY.** Seller shall comply with Executive Order 11246, as amended, Sec. 402 of the Vietnam Era Veterans Readjustment Act of 1974, as amended, Sec. 503 of the Rehabilitation Act of 1973, as amended, and Sec. 61-250.5(a) and Public Law 95-507 as such laws contain required contract clauses relative to equal employment opportunity and are incorporated herein by specific reference at 41 CFR 60-1.4(a, d), 60-4.3, 60-250.5(a) and 60-741.5(a).

**24. DISPUTE RESOLUTION AND FORUM SELECTION.** Any dispute, controversy or claim arising out of or related to this transaction where the amount in controversy does not exceed the sum of \$50,000, exclusive of interest and costs, shall be resolved by means of binding arbitration. A demand for arbitration shall be served on the other party by certified mail. Within forty-five (45) days after a party demands arbitration, the parties shall select a single arbitrator. The selected arbitrator shall conduct the arbitration in a manner

substantially similar to the procedures set forth in the Commercial Arbitration Rule of the American Arbitration Association ("AAA"). If the parties are unable to agree on an arbitrator, the party demanding arbitration shall file a demand for arbitration with the AAA and the arbitration shall then proceed in accordance with the Commercial Arbitration Rules of the AAA. In all circumstances, the arbitration shall take place in Tampa, Florida.

Any dispute, controversy or claim arising out of or related to this transaction where the amount in controversy exceeds the sum of \$50,000, exclusive of interest and costs, shall be adjudicated exclusively by a court of competent jurisdiction in Tampa, Florida. Seller consents to personal jurisdiction and venue in Tampa, Florida and agrees not to take any action to challenge such jurisdiction or venue.

In the event of any action or proceeding related to a transaction subject to this Contract where AIP is determined to be the prevailing party with regard to some or all claims, Seller agrees to pay all of AIP's attorney's fees and litigation costs up through and including any appeal.