

## 1. Scope

These Standard Terms and Conditions of Sale ("Terms") shall govern the sale by ID PLASTICS LP ("ID PLASTICS") of all goods, as well as all subsequent transactions between ID PLASTICS and the purchaser ("Purchaser"). Purchaser acknowledges and agrees that these Terms shall constitute part of any final contract of sale ("Sales Agreement") that may be entered into between Purchaser and ID PLASTICS. In the event of any inconsistency between the terms and conditions contained in any other document and these Terms, these Terms shall prevail unless otherwise agreed upon in writing by ID PLASTICS or its duly authorized representative. ID PLASTICS shall not be bound by any terms and conditions affixed to Purchaser's purchase order or other procurement documents that are in addition to or inconsistent with these Terms. Neither commencement of performance nor delivery by ID PLASTICS shall be deemed or constituted as acceptance of Purchaser's additional or conflicting terms and conditions. Terms are subject to change at ID PLASTICS' sole discretion at any time. The parties hereto acknowledge and agree that this is a commercial transaction.

## 2. Quotations & Orders

Unless otherwise specified in writing in the attached document, all written quotations shall be intended for reference purposes only, constituting neither an offer to sell nor imposing any obligations or liability on ID PLASTICS. All written quotations and offers to sell automatically expire thirty (30) days from the date quoted unless otherwise specified in the attached documentation. For greater certainty, all offers to sell are offers by ID PLASTICS to sell to Purchaser on the terms set forth herein.

Unless otherwise expressly agreed upon in writing by ID PLASTICS, any figures, measurements, dimensions, performance values, samples, patterns, statements, technical provisions or specifications, catalogues, brochures, depictions, photographs, models, designs, drawings, promotional materials in print or electronic format, or other descriptive specifications relating to ID PLASTICS' quotation or offer to sell ("Promotional Specifications") are approximations only and shall not be deemed to form part of any contract or be treated as constituting any representation, warranty or condition in relation to the goods. ID PLASTICS reserves the right to modify these Promotional Specifications at any time prior to the execution of any Sales Agreement between Purchaser and ID PLASTICS. ID PLASTICS expressly reserves all right, title and interest in any quotation or Promotional Specifications, which may not be disclosed to any third party nor used for any purpose whatsoever by any third party without the prior written consent of ID PLASTICS.

All Purchaser's orders must set out the delivery dates, the quantity, quality, and any other descriptive specifications of the goods being purchased.

No order placed by Purchaser shall be deemed to be accepted by ID PLASTICS unless and until confirmed in writing by ID PLASTICS or its duly authorized representative or until performed by ID PLASTICS. ID PLASTICS reserves the right to accept or decline any order in whole or in part within thirty (30) days after receipt of Purchaser's order, during which time the order may only be canceled, rescheduled or modified by Purchaser with the prior written consent of ID PLASTICS or its duly authorized representative. For greater certainty, subsequent requirements of Purchaser for goods not contained in an original offer to sell or Purchaser's order must be accepted and confirmed in writing by ID PLASTICS or its duly authorized representative.

## 3. Price & Terms of Payment

The price for all goods shall be expressly set out in the Sales Agreement. Where no price has been specified, the price shall be based on ID PLASTICS' price list in effect on the date of the delivery of goods. ID PLASTICS reserves the right, by giving notice to Purchaser at any time, to increase the price of goods to cover: (i) foreign exchange fluctuation and increases in the costs of labour, materials and manufacturing; and (ii) any delay or change in delivery dates, quantities or specification of goods occasioned or requested by Purchaser.

Unless otherwise stated in writing by ID PLASTICS, the price of goods shall be EX Works (Incoterms 2000) ID PLASTICS' facility and shall be exclusive of ship-

ping charges, insurance, applicable sale, use or other taxes payable to any governmental authority, including revenue or excise tax, Goods and Services Tax and/or Harmonized Sales Tax ("GST/HST"), as well as any other ancillary costs in respect of which ID PLASTICS shall be entitled to make additional charges ("Additional Costs"). ID PLASTICS shall not take back packaging for goods sold to Purchaser.

Full payment shall be due net thirty (30) days after the date of ID PLASTICS' invoice or such greater period which may be agreed upon in writing between Purchaser and ID PLASTICS. Cash discounts for early payment will not be granted without the prior written consent of ID PLASTICS. Unless otherwise agreed upon in writing by ID PLASTICS, all payments shall be in Canadian dollars, US dollars or Euro and must be made to ID PLASTICS in accordance with the payment options described in ID PLASTICS' invoice. Freight carrier collection charges will be applied on cash on delivery ("COD") shipments. ID PLASTICS shall only accept payment by bill of exchange after an explicit prior agreement. In other respects, the acceptance of bills of exchange or cheques shall only be deemed to be a conditional payment. The Purchaser shall have no right of set off unless such right is granted by a court of competent jurisdiction.

If Purchaser fails to make payment for the goods and Additional Costs or any part thereof by the due date, without prejudice to any other right or remedy available to ID PLASTICS, ID PLASTICS reserves the right to charge interest on the outstanding balance of any overdue accounts at a rate equal to the lesser of eighteen percent (18%) per annum, accruing daily and payable monthly, and the maximum rate permitted by applicable law. Where the invoice is payable in instalments, ID PLASTICS reserves the right to charge interest on overdue instalments at the said rate from the date payment is due to the date of payment. If at any time ID PLASTICS determines in good faith that Purchaser's financial condition or credit rating does not justify a sale on credit or if Purchaser is at any time in default of any undelivered indebtedness or obligation owed to ID PLASTICS, then ID PLASTICS may: (i) suspend further delivery of goods until payment for all outstanding invoices, is received in full; and/or (ii) require cash payment in advance of delivery of goods; and/or (iii) refuse to deliver any undelivered goods whether ordered under the Sales Agreement or not, without incurring any liability to ID PLASTICS for non-performance or non-delivery or any delay in delivery; and/or (iv) terminate the Sales Agreement. Purchaser agrees to submit such financial information from time to time as may be reasonably requested by ID PLASTICS for the establishment and/or continuation of credit terms. Purchaser agrees to pay any and all legal fees associated with payment collection.

## 4. Delivery of Goods

Unless otherwise agreed upon in writing, ID PLASTICS shall deliver goods EX Works (Incoterms 2000) ID PLASTICS' premises at any time after ID PLASTICS has notified Purchaser that goods are ready for collection by means of an order confirmation note. Selection of the carrier and route of delivery shall be made by ID PLASTICS unless otherwise agreed upon in writing. Delivery of goods to a common carrier or a registered courier shall constitute delivery to Purchaser, and the expense and risk of loss, ruin, and/or damage shall thereupon pass to Purchaser. In no event shall ID PLASTICS have any liability in connection with shipment, nor shall the carrier be deemed to be an agent of ID PLASTICS. ID PLASTICS shall also have the option of delivering goods by registered mail at the sole risk and expense of Purchaser.

ID PLASTICS will use commercially reasonable efforts to meet requested dates and times for delivery of goods. However, specific dates and times will not be guaranteed and time shall not be of the essence unless previously agreed upon in writing by the parties. Compliance with the estimated date of delivery of goods shall require that all commercial, contractual and technical issues between Purchaser and ID PLASTICS have been settled. If this is not the case, the period for the delivery of goods shall be extended accordingly.

Unless otherwise agreed upon in writing by the parties, ID PLASTICS reserves the right to deliver goods in instalments. Each delivery of goods shall be treated as a separate transaction and payment thereof shall be in proportion to the overall purchase price set out in the Sales Agreement. Delay or failure by ID PLASTICS to deliver an instalment in accordance with these Terms shall not entitle Purchaser to repudiate or cancel the delivery of other instalments or stages of goods under the Sales Agreement.

ID PLASTICS shall not be liable to Purchaser for any delay or failure to deliver goods due to any cause beyond ID PLASTICS' reasonable control, including, without limitation, any Act of God, fire, casualty, flood, earthquake, war, strike, lockout, epidemic, illness or injury to workers, delayed or failed deliveries by subcontractors, power failure, damage or destruction of production facilities, riot, insurrection, transportation delays or defaults, delay in supply or shortages of fuel, components, raw materials or supplies, labour shortage, acts or omissions of third parties, action of any governmental authority, or any other cause beyond the reasonable control of ID PLASTICS (the "Force Majeure"). In such event, ID PLASTICS must promptly provide Purchaser with written notice of the Force Majeure. ID PLASTICS' time for delivery and/or performance shall be extended for a period equal to the time lost by reasons of the Force Majeure without subjecting ID PLASTICS to any liability or penalty. If the Force Majeure event lasts longer than sixty (60) calendar days, ID PLASTICS may immediately terminate all or part of the Sales Agreement, without incurring any liability or penalty, by providing written notice of such cancellation to Purchaser.

In the event that delivery of goods is delayed at the request or by fault of Purchaser, ID PLASTICS shall store goods at the risk and expense of Purchaser at a rate of 8% of the invoiced amount per month, or part thereof, of storage. Purchaser must promptly provide ID PLASTICS with written notice of any delay in delivery of goods. If Purchaser fails to take delivery of goods within three (3) months after the goods are ready for shipment, ID PLASTICS shall be entitled to cancel the Sales Agreement and sell goods at the best price readily obtainable, without incurring any liability or penalty. Purchaser shall be responsible to ID PLASTICS for any deficiency in the sale price from the amount due by Purchaser.

For greater certainty, ID PLASTICS shall not be liable for any damages, losses, costs or expenses (collectively, the "Damage") resulting from ID PLASTICS' delay in delivery of goods to Purchaser unless such Damage arises from the gross negligence of ID PLASTICS. Notwithstanding the foregoing, where the gross negligence of ID PLASTICS causes a delay in the delivery of the goods, Purchaser's sole remedy shall be the payment of compensation equal to half of a percent (0.5%) per week up to a maximum of five percent (5%) of the value of the portion of the delivery which cannot be used on time for its intended purpose as a result of the delay.

## 5. Inspection and Acceptance of Goods

Notwithstanding (i) payment, (ii) passage of title, or (iii) prior inspection or tests, all goods furnished under Sales Agreement shall be subject to Purchaser's right of inspection and acceptance at Purchaser's facilities. Records of all inspection work by Purchaser shall be maintained and made available to ID PLASTICS upon request for a period of twenty-four (24) months after delivery.

The use of any goods by Purchaser, its agents, employees or licensees, for any purpose after delivery thereof, shall constitute irrevocable acceptance of goods by Purchaser.

## 6. Risk of Loss, Title and Insurance

Risk of loss for all goods passes on delivery to Purchaser. Notwithstanding delivery and transfer of risk, title to and ownership of all goods shall not pass to Purchaser until the purchase price and any Additional Costs have been paid in full. Purchaser shall keep all goods free and clear from the rights of third parties and shall not lien, pledge or encumber the goods in any manner prior to making payment in full. Until title passes, ID PLASTICS retains the right, at any time, to require Purchaser to return goods to ID PLASTICS. If Purchaser fails to promptly return the goods on request, Purchaser irrevocably authorizes ID PLASTICS to enter upon any premises where goods are stored and repossess goods at the expense of Purchaser. If goods are resold or otherwise disposed of by Purchaser, the purchase proceeds shall be held by Purchaser for and on behalf of ID PLASTICS and shall not be mixed with any other monies or paid into an overdrawn bank account and shall at all times be identifiable as monies belonging to ID PLASTICS.

Purchaser shall maintain all goods in good condition and repair and shall fully insure those goods against loss, fire, water damage, theft or any other insurable risks in an amount no less than the value of the purchase price

until ID PLASTICS has been paid in full therefore, or until goods have been returned to ID PLASTICS. The insurance policy shall contain a standard lender's loss payable endorsement in favour of ID PLASTICS and shall provide that the policy shall not be cancelled, and the coverage shall not be reduced, without at least ten (10) days prior written notice to ID PLASTICS. Upon ID PLASTICS' request, Purchaser shall provide evidence of the insurance coverage.

## 7. Security Interest and Solvency

Purchaser represents and warrants to ID PLASTICS that Purchaser is solvent. ID PLASTICS retains a purchase-money security interest in goods to secure payment of the purchase price and all other indebtedness and obligations that Purchaser now and in the future owes to ID PLASTICS whether arising under the Sales Agreement or otherwise. Purchaser shall take all actions that ID PLASTICS requests to perfect and to obtain and maintain first priority of that security interest, and Purchaser shall pay, or reimburse ID PLASTICS for, all fees, taxes and other costs that are incurred in connection with those actions. To the extent permitted by law, Purchaser waives requirement of being provided with a copy of any financing or verification statement or renewal thereof.

## 8. Changes and Cancellation

No Sales Agreement which has been executed by ID PLASTICS may be cancelled or amended by Purchaser except with the approval in writing of ID PLASTICS and on terms that Purchaser shall indemnify ID PLASTICS in full and on demand against all loss (including loss of profit), costs (including the cost of all labour and materials used, as well as accounting, legal and clerical costs), damages, charges and expenses incurred by ID PLASTICS as a result of the cancellation or change.

## 9. Limited Warranty

Except as otherwise specified herein, ID PLASTICS warrants that: (i) all goods purchased hereunder are free from defects in material and workmanship and conform to the requirements of Sales Agreement; (ii) ID PLASTICS has good title to goods and the right to sell them to Purchaser; and (iii) goods shall conform to the written specifications, if any, described in the documentation attached hereto.

Unless otherwise agreed upon in writing, the warranty period for all goods delivered by ID PLASTICS will expire twelve (12) months after the date of shipment of goods from ID PLASTICS' facilities (the "Warranty Period"). If Purchaser believes following inspection that the goods are defective or deficient, Purchaser shall provide ID PLASTICS with a written notice by letter, fax or e-mail, within eight (8) days of discovering or detecting the alleged defect, containing the full details of the alleged defect or deficiency and setting out the date of the order confirmation, the delivery confirmation or the invoice, as well as the serial number of the alleged defective or deficient goods (the "Rejection Notice"). At ID PLASTICS' direction, Purchaser shall return the defective or deficient goods to ID PLASTICS at Purchaser's risk and expense and in accordance with ID PLASTICS' return policy in effect from time to time, failing which any and all warranty obligation on ID PLASTICS' part shall become void. ID PLASTICS shall promptly investigate such claimed breach and shall, at its sole discretion within a reasonable period of time either: (i) provide information to Purchaser confirming that no breach of warranty has in fact occurred; or (ii) advise Purchaser of ID PLASTICS' planned corrective action. If ID PLASTICS determines that the Rejection Notice was given without cause, Purchaser shall reimburse ID PLASTICS for all applicable costs and expenses thereby occasioned to ID PLASTICS. If a breach of warranty has in fact occurred, ID PLASTICS shall, at its sole discretion, promptly: (i) repair or replace the defective goods at no additional cost to Purchaser; (ii) issue credit or refund amounts paid by Purchaser related to the portion of goods in breach of warranty; or (iii) unless the defect in question is a minor one, cancel the Sales Agreement. All costs incidental to repairing or replacing defective goods shall be borne by Purchaser and in no event shall ID PLASTICS be liable for such costs. All warranty repairs or replacements shall only be warranted for the balance of the original Warranty Period.

Purchaser shall not be entitled to withhold payments on account of warranty claims or other counter-claims not recognized by ID PLASTICS.

**Warranty Exclusions:** This warranty excludes normal wear and tear, and slight and/or commercially reasonable variations in quality, colours, volume, quantities, and dimension. These variations shall not give any cause for a warranty claim or return of goods against ID PLASTICS. Slight variations shall be deemed to be variations of plus or minus 10%. This warranty also excludes coverage for goods not manufactured by ID PLASTICS or its affiliates. Repair or replacement of goods due to: (i) misuse or abuse; (ii) improper use or maintenance; (iii) failure to observe instructions contained in user/owner manuals; (iv) mishandling or testing by Purchaser, its affiliates and agents; (v) negligence; (vi) alteration; (vii) excessive stress; (viii) accident; (ix) improper storage; (x) use of incompatible supplies or cleaning agents; (xi) an event of Force Majeure; (xii) chemical influences; (xiii) foreign object damage; or (xiv) damage in transit, are excluded from ID PLASTICS' warranty obligations. For greater certainty, ID PLASTICS shall not be liable to Purchaser for consequences arising out of, connected with or resulting from any alterations, maintenance or repair work undertaken by third parties, Purchaser or Purchaser's employees without the prior approval of ID PLASTICS.

The preceding paragraphs set forth the exclusive remedy for all claims based on failure of, or defect in, goods sold hereunder, whether the failure or defect arises before or during the warranty period, and whether a claim, however instituted, is based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise. Upon the expiration of the warranty period, all such liability shall terminate. Unless otherwise agreed in writing by ID PLASTICS, this warranty shall not be assigned to any third party. The foregoing warranties are exclusive and in lieu of all other warranties, whether written, oral, implied or statutory. No implied warranty of merchantability or fitness for particular purpose shall apply. ID PLASTICS does not warrant any goods of others, which Purchaser has designated.

## 10. Limitations of Liability

ID PLASTICS' liability with respect to all claims of any kind, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, for all losses or damages arising out of, connected with, or resulting from this agreement, or these terms and conditions, and from the performance or breach thereof, or from any goods covered by or furnished under the agreement or any extension or expansion thereof (including remedial warranty efforts), shall in no case exceed the price allocable to the specific goods that gives rise to the claim. All such liability shall terminate upon the expiration of the warranty period specified above.

In no event, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall ID PLASTICS, its employees, agents, suppliers and affiliates be liable for special, incidental, punitive, exemplary or consequential damages including, but not limited to, loss of profits or revenue, loss of use of any property, cost of capital, cost of purchased power or energy, cost of substitute equipment, facilities or services, business interruption costs, downtime costs, injury to person or property or death, or claims of purchasers of purchaser for such damages or losses, and purchaser will indemnify ID PLASTICS, its employees, agents, suppliers and affiliates against any such claims from Purchaser's purchasers. If Purchaser resells goods sold hereunder to any third party who is not a consumer of ID PLASTICS' goods, Purchaser shall obtain from such third party a provision affording ID PLASTICS and its suppliers the protection of the preceding sentence. Any action or suit by Purchaser against ID PLASTICS relating to the Sales Agreement of the goods covered hereby must be brought within one (1) year of the date of invoice for such goods.

If ID PLASTICS furnishes Purchaser with advice or assistance concerning any goods which are not required pursuant to the Sales Agreement, the furnishing of such advice or assistance will not subject ID PLASTICS to any liability, whether in contract, warranty, tort (including negligence), strict liability or otherwise.

## 11. Indemnification

Purchaser shall indemnify, defend and hold harmless ID PLASTICS from and against all claims, demands, causes of action (including third-party claims), losses, damages, expenses (including consequential and incidental damages, court costs and lawyer fees) and liabilities of every kind and nature that ID

PLASTICS incurs as a result of Purchaser's breach of any of Purchaser's obligations under the Sales Agreement and/or these Terms.

## 12. Confidentiality/Intellectual Property

All technical information and/or Specifications supplied by ID PLASTICS in connection herewith shall be treated as strictly confidential by Purchaser and must not be made available to any third party, both prior to and after execution of Sales Agreement and delivery of goods, without the prior written consent of ID PLASTICS.

ID PLASTICS expressly reserves all right, title and interest in any documents, Specifications, and other technical information provided to Purchaser in connection with the Sales Agreement, quotation, offer to sell, installation, service, or repair of goods sold, and Purchaser shall return same or copies thereof to ID PLASTICS upon request.

To the extent that goods are supplied in accordance with Purchaser's Specifications or statements (collectively, the "Statements"), Purchaser represents and warrants that such Statements do not infringe any third party intellectual property rights. Purchaser agrees to indemnify ID PLASTICS in respect of any claim for intellectual property infringement by a third party resulting from the use of the Statements by ID PLASTICS.

## 13. Notice

Any notice, approval, consent, waiver, or other communication to be given hereunder shall be in writing and shall be deemed to be given if delivered personally, or sent by registered mail in which case such notice, approval, consent, waiver or other communication shall be deemed to be received on the second business day following the mailing thereof by registered mail:

to ID PLASTICS LB.  
2175 Pumphrey Avenue  
Auburn, Alabama 36832  
USA

Phone: +1 334 2090797  
Email: sales@id-pack.com

to Purchaser at such mailing address, telephone, facsimile, or email address provided by Purchaser.

## 14. Language

These Terms and any document relating thereto have been prepared in the English language at the express request of the parties. Les parties exigent, et par les présentes confirment leur demande, que ce contrat et tous les documents y afférents soient rédigés en anglais seulement.

## 15. Entire Agreement & Severability

These Terms and any document relating thereto contain the entire agreement between Purchaser and ID PLASTICS and shall not be altered or amended except by written instrument signed by both parties. If any provision in these Terms should be or become invalid, this shall not affect the validity of the other provisions.

## 16. Applicable Law and Jurisdiction

These Terms and any document relating thereto shall be governed by and interpreted according to the laws of the Province of Ontario and the applicable federal laws of Canada, without reference to its choice of law rules and excluding the United Nations Convention on the International Sale of Goods, and either party shall bring any action that arises out of or relates the Sales Agreement and/or these Terms in any court in Toronto, Ontario that has jurisdiction over the subject matter.

## 17. Jury Waiver

ID PLASTICS and Purchaser waive any rights they may have to a jury trial.