

Affinity Packaging Ltd Purchase Order Terms & Conditions

1. SERVICES & DELIVERABLES.

Seller agrees to provide to Company (Affinity Packaging Limited) hereinafter referred to as "Company") the services ("Services") and/or goods ("Goods"), described in any purchase order, in accordance with these Terms and Conditions ("Agreement"). Upon acceptance of a purchase order, shipment of Goods or commencement of a Service, Seller shall be bound by the provisions of this Agreement, including all provisions set forth on the face of any applicable purchase order, whether Seller acknowledges or otherwise signs this Agreement or the purchase order.

2. DELIVERY.

Time is of the essence. COMPANY reserves the right to return, shipping charges collect, all Goods received in advance of the delivery schedule. If no delivery schedule is specified, the order shall be filled promptly and delivery will be made by the most expeditious form of land transportation. If no method of shipment is specified in the purchase order, Seller shall use the least expensive carrier. In the event Seller fails to deliver the Goods or Services within the time specified, COMPANY may, at its option, decline to accept performance and terminate the Agreement or may demand its allocable fair share of Seller's available Goods and terminate the balance of the Agreement. Seller shall package all items in suitable containers to permit safe transportation and handling. Each delivered container must be labelled and marked to identify contents without opening and all boxes and packages must contain packing sheets listing contents. COMPANY's purchase order number must appear on all shipping containers, packing sheets, delivery tickets, and bills of lading.

4. PAYMENT, RISK AND TITLE.

Seller assumes all risk of loss until receipt by COMPANY. Title to Goods shall pass to COMPANY upon receipt by it of the Goods at the designated destination. As full consideration for the performance of the Services, delivery of the Goods and the assignment of rights to COMPANY as provided herein, COMPANY shall pay Seller (i) the amount agreed upon and specified in the applicable purchase order, or (ii) Seller's quoted price on date of shipment (for Goods), or the date Services were started (for Services), whichever is lower. Payment shall not constitute acceptance. Seller shall invoice COMPANY for all Goods delivered and all Services actually performed. Each invoice submitted by Seller must be provided to COMPANY within ninety (90) days of completion of the Services or delivery of Goods and must reference the applicable purchase order, and COMPANY reserves the right to return all incorrect invoices. The COMPANY shall pay the invoiced amount within sixty (60) days of date of a correct invoice.

5. WARRANTIES.

5.1 Services: Seller represents and warrants that all Services shall be completed in a professional, workmanlike manner, with the degree of skill and care that is required by current, good, and sound professional procedures. Further, Seller represents and warrants that the Services shall be completed in accordance with applicable specifications and shall be correct and appropriate for the purposes contemplated in this Agreement. Seller represents and warrants that the performance of Services under this Agreement will not conflict with, or be prohibited in any way by, any other agreement or statutory restriction to which Seller is bound.

5.2 Goods: Seller warrants that all Goods provided will be new and will not be used or refurbished, unless agreed in writing on the Purchase Order. Seller warrants that all Goods delivered shall be free from defects in materials and workmanship and shall conform to all applicable specifications for a period of forty eight (48) months from the date of delivery to COMPANY or for the period provided in Seller's standard warranty covering the Goods, whichever is longer. Seller shall issue a "Certificate of Conformity" with all goods supplied to the COMPANY. The certificate will confirm that all goods will exactly match the requirements on the purchase order and that all goods will conform to any relevant drawing or specifications. All goods must be traceable by C of C back to raw material source, and the full trace of any goods supplied to the COMPANY may be traced to raw material at the request of the COMPANY. Seller hereby agrees that it will make spare parts available to COMPANY for a period of five (5) years from the date of shipment at Seller's then current price, less applicable discounts. Additionally, Goods purchased shall be subject to all written and oral express warranties made by Seller's agents. All warranties shall be construed as conditions as well as warranties and shall not be exclusive. Seller shall furnish to COMPANY Seller's standard warranty and service guaranty applicable to the Goods. All warranties and Service guaranties shall run both to COMPANY and to its customers. If COMPANY identifies a warranty problem with the Goods during the warranty period, COMPANY will promptly notify Seller of such problems and will return the Goods to Seller, at Seller's expense. Within five (5) business days of receipt of the returned Goods, Seller shall, at COMPANY's option, either repair

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or replace such Goods, or credit COMPANY's account for the same. Replacement and repaired Goods shall be warranted for the remainder of the warranty period or six (6) months, whichever is longer.

6. INSPECTION.

COMPANY shall have a reasonable time after receipt of Goods or Service deliverables and before payment to inspect them for conformity hereto, and performance hereunder shall not be deemed accepted until COMPANY has run an adequate test to determine whether the Goods and Services conform to the specifications hereof. Use of a portion of the Goods for the purpose of testing shall not constitute an acceptance of the Goods. If performance tendered does not wholly conform to the provisions hereof, COMPANY shall have the right to reject such performance. Nonconforming Goods will be returned to Seller freight collect and risk of loss will pass to Seller upon COMPANY's delivery to the common carrier.

8. SELLER RESPONSIBLE FOR TAXES AND RECORDS.

Seller shall be solely responsible for filing the tax forms, including, without limitation, and paying all such taxes or fees, with respect to Seller's receipt of payment under this Agreement. Seller further agrees to provide COMPANY with reasonable assistance in the event of a government audit. COMPANY shall have no responsibility to pay or withhold from any payment to Seller under this Agreement.

9. INSURANCE.

Upon request, Seller shall provide COMPANY with certificates of insurance or evidence of coverage before commencing performance under this Agreement. Seller shall provide adequate coverage for any COMPANY property under the care, custody or control of Seller or Seller's Assistants.

10. INDEMNITY.

Seller shall indemnify, hold harmless, and at COMPANY's request, defend COMPANY, its officers, directors, customers, agents and employees, against all claims, liabilities, damages, losses, and expenses, including legal fees and any costs arising out of or in any way connected with the Goods or Services provided under this Agreement, including, without limitation, (i) any claim based on the death or bodily injury to any person, destruction or damage to property, or contamination of the environment and any associated clean-up costs, (ii) any claim based on the negligence, omissions, or willful misconduct of Seller or any Seller's Assistants, and (iii) any claim by a third party against COMPANY alleging that the Goods or Services, the results of such Services, or any other products or processes provided under this Agreement, infringe a patent, copyright, trademark, trade secret, or other proprietary right of a third party, whether such are provided alone or in combination with other products, software, or processes. Seller shall not settle any such suit or claim without COMPANY's prior written approval. Seller agrees to pay or reimburse all costs that may be incurred by COMPANY in enforcing this indemnity, including attorneys' fees. Should COMPANY's use, or use by its distributors, subcontractors, or customers, of any Goods or Services purchased from Seller be enjoined, be threatened by injunction, or be the subject of any legal proceeding, Seller shall, at its sole cost and expense, either (a) substitute fully equivalent non-infringing Goods or Services; (b) modify the Goods or Services so that they no longer infringe but remain fully equivalent in functionality; (c) obtain for COMPANY, its distributors, subcontractors, or customers the right to continue using the Goods or Services; or (d) if none of the foregoing is possible, refund all amounts paid for the infringing Goods or Services.

11. CONFIDENTIALITY.

Seller will acquire knowledge of COMPANY Confidential Information (as defined below) in connection with its performance hereunder and agrees to keep such COMPANY Confidential Information in confidence during and following termination or expiration of this Agreement.

"COMPANY Confidential Information" includes but is not limited to all information, whether written or oral, in any form, including without limitation, information relating to the research, development, products, methods of manufacture, trade secrets, business plans, customers, vendors, finances, personnel data, Work Product (as defined herein), and other material or information considered proprietary by COMPANY relating to the current or anticipated business or affairs of COMPANY which is disclosed directly or indirectly to Seller. In addition, COMPANY Confidential Information means any third party's proprietary or confidential information disclosed to Seller in the course of providing Services or Goods to COMPANY.

COMPANY Confidential Information does not include any information (i) which Seller lawfully knew without restriction on disclosure before COMPANY disclosed it to Seller, (ii) which is now or becomes publicly known through no wrongful act or failure to act of Seller, (iii) which Seller developed

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independently without use of the COMPANY Confidential Information, as evidenced by appropriate documentation, or (iv) which is hereafter lawfully furnished to Seller by a third party as a matter of right and without restriction on disclosure. In addition, Seller may disclose Confidential Information which is required to be disclosed pursuant to a requirement of a government agency or law so long as Seller provides prompt notice to COMPANY of such requirement prior to disclosure.

Seller agrees not to copy, alter, or directly or indirectly disclose any COMPANY Confidential Information. Additionally, Seller agrees to limit its internal distribution of COMPANY Confidential Information to Seller's Assistants who have a need to know, and to take steps to ensure that the dissemination is so limited, including the execution by Seller's Assistants of nondisclosure agreements with provisions substantially similar to those set forth herein. In no event will Seller use less than the degree of care and means that it uses to protect its own information of like kind, but in any event not less than reasonable care to prevent the unauthorized use of COMPANY Confidential Information. Seller further agrees not to use the COMPANY Confidential Information except in the course of performing hereunder and will not use such COMPANY Confidential Information for its own benefit or for the benefit of any third party. The mingling of the COMPANY Confidential Information with information of Seller shall not affect the confidential nature or ownership of the same as stated hereunder. Seller agrees not to design or manufacture any products which incorporate COMPANY Confidential Information. All COMPANY Confidential Information is and shall remain the property of COMPANY. Upon COMPANY's written request or the termination of this Agreement, Seller shall return, transfer, or assign to COMPANY all COMPANY Confidential Information, including all Work Product, as defined herein, and all copies thereof.

12. TERMINATION.

COMPANY may terminate this Agreement upon written notice to Seller if Seller fails to perform or otherwise breaches this Agreement, files a petition in bankruptcy, becomes insolvent, or dissolves. In the event of such termination, COMPANY shall pay Seller for the portion of the Services satisfactorily performed and those conforming Goods delivered to COMPANY through the date of termination, less appropriate offsets, including any additional costs to be incurred by COMPANY in completing the Services.

COMPANY may terminate this Agreement for any other reason upon thirty (30) days' written notice to Seller. Seller shall cease to perform Services and/or provide Goods under this Agreement on the date of termination specified in such notice. In the event of such termination, COMPANY shall be liable to Seller only for those Services satisfactorily performed and those conforming Goods delivered to COMPANY through the date of termination, less appropriate offsets.

Seller may terminate this Agreement upon written notice to COMPANY if COMPANY fails to pay Seller within sixty (60) days after Seller notifies COMPANY in writing that payment is past due.

Upon the expiration or termination of this Agreement for any reason: (a) each party will be released from all obligations to the other arising after the date of expiration or termination, except for those which by their terms survive such termination or expiration; and (b) Seller will promptly notify COMPANY of all COMPANY Confidential Information or any Work Product in Seller's possession and, at the expense of Seller and in accordance with COMPANY's instructions, will promptly deliver to COMPANY all such COMPANY Confidential Information and/or Work Product.

13. REMEDIES.

If Seller breaches this Agreement, COMPANY shall have all remedies available by law and at equity. For the purchase of Goods, Seller's sole remedy in the event of breach of this Agreement by COMPANY shall be the right to recover damages in the amount equal to the difference between market price at the time of breach and the purchase price specified in the Agreement. No alternate method of measuring damages shall apply to this transaction. Seller shall have no right to resell Goods for COMPANY's account in the event of wrongful rejection, revocation of acceptance, failure to make payment or repudiation by COMPANY and any resale so made shall be for the account of Seller.

14. FORCE MAJEURE.

COMPANY shall not be liable for any failure to perform including failure to (i) accept performance of Services or, (ii) take delivery of the Goods as provided caused by circumstances beyond its control which make such performance commercially impractical including, but not limited to, acts of God, fire, flood, acts of war, government action, accident, labour difficulties or shortage, inability to obtain materials, equipment, or transportation. In the event COMPANY is so excused, either party may

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terminate the Agreement and COMPANY shall at its expense and risk, return any Goods received to the place of shipment.

16. SEVERABILITY.

If any provision of this Agreement shall be deemed to be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

17. LIMITATION OF LIABILITY.

IN NO EVENT SHALL COMPANY BE LIABLE TO SELLER OR SELLER'S ASSISTANTS, OR ANY THIRD PARTY FOR ANY INCIDENTAL, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT, WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE, AND WHETHER OR NOT THERE IS A FAILURE OF ANY AGREED REMEDY.

18. ASSIGNMENT; WAIVER.

Seller may not assign this Agreement or any of its rights or obligations under this Agreement, without the prior written consent of COMPANY. Any assignment or transfer without such written consent shall be null and void. A waiver of any default hereunder or of any term or condition of this Agreement shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition.

20. NOTICES.

All notices, and other communications hereunder shall be in writing, shall be addressed to Seller or to an authorized COMPANY representative, and shall be considered given when (a) delivered personally, (b) sent by electronic mail (e-mail), facsimile, post or courier.

21. ENTIRE AGREEMENT; MODIFICATION.

This Agreement is the complete, final, and exclusive statement of the terms of the agreement between the parties and supersedes any and all other prior and contemporaneous negotiations and agreements, whether oral or written, between them relating to the subject matter hereof. The terms and conditions of this Agreement shall prevail notwithstanding any variance with the terms and conditions of any acknowledgment or other document submitted by Seller. This Agreement may not be added to, modified, superseded, or otherwise altered, except by writing signed by an authorized COMPANY representative. Any terms or conditions contained in any acknowledgment, invoice, or other communication of Seller, which are inconsistent with the terms and conditions herein, are hereby rejected.

22. RIGHT OF ENTRY

The seller will provide right of entry to premises and disclose all relevant material/drawings/specifications relating to supply of products to the COMPANY. Right of entry will also be applied to the COMPANY's customers and customers customers. The RIGHT of ENTRY will also apply to the sellers, seller.

23. RECORD RETENTION

It is required that all records pertaining to the manufacture of any goods supplied to the COMPANY will be safely stored and available for inspection by either the COMPANY or the COMPANY's customer, or the customers customer. These records will include any relevant drawings, specifications, C of C's for incoming material, work records, work instructions, route cards, outgoing C of C's. All records must be retained for a minimum of 10 years after dispatch to the COMPANY.

24. GOVERNING LAW.

This Agreement shall be construed in accordance with, and disputes shall be governed in accordance with English Law.