

STANDARD TERMS AND CONDITIONS OF SALE

Please read this acknowledgement and contact Topsyn Flexible Packaging Ltd. "Topsyn" immediately if the information contained herein does not correspond with your interpretation. All sales made by Topsyn are subject to these standard terms & conditions, except where agreed otherwise in writing. Failure to respond assumes approval, and responsibility by you the customer "Buyer" for the goods "Products" in question.

1.) QUOTATIONS, ORDERS AND PRICES: Prices shall be those in effect at the time of order entry. Prices are subject to change at any time without notice due to market/currency fluctuations and other factors. Topsyn reserves the right to invoice all orders at prices in effect at the time of shipment unless a quotation issued by Topsyn specifically stipulates otherwise. If a price has risen, Topsyn will advise before proceeding with an order if Buyer has specified a different price. Any costs omitted or corrections on your invoice will be invoiced/credited later. The minimum billing charge on any order with Topsyn is \$250.00 plus transportation charges. Any additions to order already placed by Buyer will be considered as new orders.

2.) TAXES: Topsyn's prices do not include any Federal, Provincial/State or local taxes/fees or any shipping costs, custom, export, import, wharfage or associated dues or duties; and any such taxes or fees now in effect or hereafter levied will be in addition to such prices and added to the invoice total to be paid by the Buyer. Buyer agrees to defend, indemnify and hold Topsyn harmless from and against any and all such taxes and fees, including, without limitation, and cost, expense, attorney's fees, interest or penalties assessed against or incurred by Topsyn as a result of Buyer's failure to pay such taxes or fees.

3.) SHIPMENT, FREIGHT & DELIVERY: All delivery dates are approximate and based upon the prompt receipt of all necessary information from Buyer. All sales are F.O.B. Topsyn's manufacturing facility located in Winnipeg, MB, Canada unless otherwise specified in writing. Risk or loss shall pass to Buyer at the F.O.B. point. On orders or releases of net invoices value less than \$3,000 shipment will be made freight collect or prepaid and added to the invoice. Unless explicitly requested, method of transport will be at our discretion. If Buyer elects to pickup its purchases at Topsyn's plant or warehouse, said plant or warehouse will be deemed the F.O.B. point. Topsyn's placement of the purchased goods at the point of shipment in the possession of a trucking/railroad company or other common carrier or on Buyer's vehicle will constitute delivery to Buyer, and thereafter Buyer will bear all expenses and risk of loss. Topsyn shall not be responsible or liable for any stock shortages, loss or damage of any kind whatsoever, including loss of income and/or profits, incidental, special or consequential damages resulting from Topsyn's delay or incomplete performance in shipment or delivery of Products for any reason whatsoever. In the event of any stock shortage relating to the relevant Products, assuming Buyer has provided Topsyn with the appropriate contact information (contact name, phone/fax number, email), Topsyn shall exert all reasonable efforts to so notify Buyer of said delay and said product will be backordered.

4.) TERMS: Net thirty (30) days from the date of Topsyn's invoice. Topsyn reserves the right to charge interest on all overdue balances at a rate of one and one-half percent (1.5%) per month compounded until the date payment is received in full. Interest is charged from the invoice date onwards if payment is not received within 30 days

5.) FINANCIAL RESPONSIBILITY: Notwithstanding anything herein to the contrary, the Buyer's financial responsibility is at all time subject to approval of Topsyn's Credit Department, and Topsyn at any time may require payment in advance or satisfactory security or guarantee that invoices will be paid promptly when due. If Buyer fails to comply with any terms of payment, Topsyn may withhold any further deliveries or terminate this agreement and may declare any unpaid amount to be due and owing immediately.

6.) DEVIATIONS IN AMOUNTS MANUFACTURED: Goods manufactured by Topsyn to meet Buyer's instructions, specifications or requirements are subject to a plus or minus deviation of ten percent (10%) in quantity.

7.) TOLERANCES AND VARIATIONS: Except in the particulars specified by Buyer and agreed to in writing by Topsyn, the goods being sold to Buyer will be produced in accordance with Topsyn's standard practices. All goods, however, including those produced to meet an exact specification, will be subject to tolerances and variations consistent with good manufacturing practices in regard to dimension, weight, gauge, composition and in quality; and to deviations from tolerances and variations consistent with practical testing and inspection methods.

8.) BUYER'S AGREEMENT TO DEFEND: If any goods are manufactured or sold by Topsyn to meet Buyer's instructions, specifications, or any other requirements and such goods are not included among Topsyn's standard catalogue items offered, buyer agrees to defend, indemnify and hold Topsyn harmless from and against and all loss, cost, damage, liability or expense (including, without limitation, and penalties or punitive damages, attorneys' fees and expenses and costs of suit) arising out of the manufacture, sale or use of such goods, including, without limitation, claims of actual or alleged infringements or any patent or copyright, or any actual or alleged unfair competition resulting from similarity in design, trademark or appearance.

9.) DEFAULT OR DELAY: Topsyn will not be liable for any default or delay in the production or delivery of any goods when such default or delay results either directly or indirectly from: (a) accidents to, or breakdowns or mechanical failure of, Topsyn's plant machinery or equipment; strikes or other labour troubles or labour shortages; fire; flood; wars; acts of the public enemy; acts of God; delays by any supplier; difficulties in obtaining raw materials; delays in transport or lack of transportation facilities; embargoes; shortages of, or reductions in, energy sources; priorities, allocations, limitations, restrictions or other acts required or requested by Federal, Provincial/State or local governments, or any subdivision, bureau or agency thereof; or (b) any other

cause beyond the control of Topsyn. Topsyn shall not be liable for any loss, cost, penalty or any consequential, incidental or other damages of any kind occasioned by or arising or resulting from any default or delay in delivery by Topsyn, whether or not said loss, cost, penalty or damage was reasonably foreseeable.

10.) WARRANTY AND DISCLAIMERS OF WARRANTY: Topsyn warrants to Buyer that the goods supplied hereunder will be free from defects in material and workmanship under normal and proper usage for a period of one year from the date of shipment of Topsyn. The foregoing warranty will not cover and Topsyn makes no warranties with respect to (a) any goods subjected to abuse, misuse, misapplication, neglect, alteration or accident; to improper and incorrect installation or maintenance; or to abnormal conditions of use, temperature, moisture, dirt or corrosive material, and (b) and materials, parts, goods or other components that are manufactured by someone other than Topsyn. The foregoing warranty is exclusive and in lieu of all other warranties, whether expressed, implied or otherwise arising by operation of law, trade, usage or course of dealing, including, without limitation, the implied warranties of merchantability and fitness for a particular purpose. Buyer agrees to provide Topsyn with written notice of any breach of the above warranty within thirty (30) days after Buyer discovers, or should have discovered, the alleged breach. Time is of the essence herein, and Buyer's failure to provide written notice to Topsyn within the required time of any alleged breach of the foregoing warranty will release and discharge Topsyn from any obligation or liability for the breach of warranty. The foregoing warranty extends only to the Buyer and to no other person.

11.) REMEDIES AND LIMITATIONS ON REMEDIES: In the event of any material breach of the above warranty, Topsyn will, at its sole option, credit Buyer's account or repair and defective goods or furnish replacement goods, all subject to Buyer providing written notice of the alleged breach within the time required. The remedies set forth herein shall be the sole and exclusive remedies available to Buyer so that Topsyn's credit of Buyer's account or repair or replacement is a fulfillment of all Topsyn's obligations. Topsyn shall not be liable for any consequential or incidental damages or any kind, nor under any circumstances shall Topsyn be liable for damages beyond the price of the goods purchased by Buyer, whether in contract, in tort or under any warranty or other use. If required by Topsyn, the goods alleged to be defective will be returned to Topsyn, at its direction and expense, for examination. No goods are to be returned to Topsyn without its prior written authorization. If Topsyn discovers that any goods are returned are not covered by the foregoing warranty, Topsyn reserves the right to charge Buyer for all transportation costs and expenses incurred by Topsyn in examining, processing or handling such goods. Any controversy or claim arising out of or relating to this contract or the breach hereof, must be commenced within two years after the cause of action was accrued.

12.) CANCELLATION: As a general rule, Topsyn shall not accept order cancellations. Any exceptions to such a rule shall be determined by Topsyn at its sole discretion. Orders cannot be cancelled by Buyer for delays in delivery or other cause until written notification or such intention has been received by Topsyn. In any event, however, Buyer shall be obligated to accept and pay for any goods previously shipped and to pay cancellation charges based on expenses incurred or commitments made by Topsyn for any goods which are in the process of manufacture especially for Buyer. Topsyn reserves the right on any order for standard stock items cancelled by Buyer to apply a minimum cancellation charge of \$50.00 or 20% of the purchase price of the unshipped portion of the order, which is greater.

13.) ACCEPTANCE: Buyer shall notify Topsyn of any defects, errors, damages or shortages in any items received by Buyer, in writing, within thirty (30) days after delivery. The written notice must state the applicable Sales Order Number and must be accompanied by any documents or other papers that substantiate the alleged defects, errors damages or shortages. If Buyer fails to provide Topsyn with such written notice, documents or papers and the applicable Sales Order Number, all within the required time, Buyer will be deemed to have waived such defects, errors, damages or shortages and to have accepted the items delivered.

14.) RETURNS AND EXCHANGES: No goods may be returned or exchanged without first having secured a valid return number from Topsyn's head office; and must be initiated within thirty (30) days from date of original shipment. Goods returned without a valid return number will be refused. To ensure that you receive proper credit, please reference a valid return number on the outside of the package. Request for return or exchange follow the same channels as order placement. Only non-obsolete standard items in original packaging may be returned within ten (10) days of authorization. Returns will be subject to factory inspection for re-saleability and for quantity before credit, which will be applicable to replacement or future purchases by Buyer, is issued. Topsyn reserves the right to apply a minimum restocking charge of \$50.00 or 20% of the purchase price of the returned materials, whichever is greater, plus original freight charges to all returns. Where the original purchase had the delivery charge waived ("Free Delivery"), you may be charged the delivery cost originally waived.

We do endeavour to offer the best possible service, so if you have a problem with a product or our service, please contact us immediately so that we can try to rectify it as soon as possible!