

Piedmont Plastics Inc.
Terms and Conditions of Sale

It is the nature of business today that we must post our official Terms and Conditions of Sale. THESE TERMS AND CONDITIONS GOVERN PIEDMONT'S SALES TO YOU, OUR BUYER, UNLESS OTHERWISE STATED IN THE TERMS AND CONDITIONS BELOW. BY PURCHASING PRODUCTS FROM PIEDMONT, BUYER CONFIRMS ITS AGREEMENT WITH THESE TERMS, AND AGREES THAT, EVEN IF BUYER SENDS PIEDMONT ANOTHER FORM OF AGREEMENT OR TERMS, OR MODIFICATIONS TO THESE TERMS, AND PIEDMONT DOES NOT EXPRESSLY ACCEPT SUCH AGREEMENT, TERMS OR MODIFICATIONS IN WRITING, THESE TERMS SHALL GOVERN.

Please understand that Piedmont Plastics will support our customers and attempt to resolve any dissatisfaction you have with our products or services.

Please call us and discuss any situation for which you have not received proper service or have incurred a difficulty with a material product that you have purchased from us. If you would prefer to drop an e-mail to us, please do so at sales@piedmontplastics.com and you will receive a prompt response.

TERMS AND CONDITIONS OF SALE

1. DEFINITIONS. As used below, "Piedmont", "we" or "us" means Piedmont Plastics Inc., a New Brunswick corporation, and its parent company, Piedmont Plastics, Inc., a North Carolina corporation, and their subsidiaries and affiliates, or, in connection with sales made outside Canada or the United States of America by a local affiliate, the local affiliate. "Product" means any product sold by Piedmont, and "Buyer" means a party purchasing any Product from a Piedmont. "Terms and Conditions" and "Terms" means Piedmont's Terms and Conditions.

2. APPLICABLE TERMS. All sales by Piedmont to Buyer, whether initiated by written purchase order, electronic means, telephone or any other method, will be subject to the following:

- If a signed written agreement is then in effect between Buyer and Piedmont and applicable to such sale (a "Sales Agreement"), then any term in the Sales Agreement that conflicts with these Terms will apply, and these Terms will otherwise apply.
- If no Sales Agreement is in effect, these Terms, and the Product description and quantity specified in Buyer's order as accepted by Piedmont, will make up Buyer's complete contract with Piedmont.

If the Buyer resides in Canada, these Terms shall be governed exclusively by, and interpreted in accordance with, the laws of Ontario and Canada therein, without giving effect to its conflicts of laws principles. The United Nations Convention on Contracts for the International Sale of Goods will not apply to any sale of Products and is expressly excluded.

BY REQUESTING A QUOTE FROM PIEDMONT OR PRESENTING AN ORDER TO PIEDMONT AND ABSENT A SIGNED SALES AGREEMENT, BUYER CONFIRMS THAT THESE TERMS AND CONDITIONS SHALL GOVERN ALL PURCHASES OF PRODUCTS OR SERVICES BY BUYER FROM PIEDMONT, AND NO CHANGES OR ADDITIONAL OR DIFFERENT TERMS (EVEN IF CONTAINED IN A PURCHASE ORDER ACCEPTED BY PIEDMONT, OR OTHERWISE) WILL CHANGE THESE TERMS AND CONDITIONS UNLESS SPECIFICALLY ACKNOWLEDGED IN WRITING AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF PIEDMONT. NO PIEDMONT EMPLOYEE OR AGENT HAS THE AUTHORITY TO MODIFY THESE TERMS AND CONDITIONS VERBALLY. THESE TERMS MAY BE MODIFIED ONLY BY THE WRITTEN, SIGNED AGREEMENT OF BUYER AND AN AUTHORIZED REPRESENTATIVE OF PIEDMONT. PIEDMONT OBJECTS TO AND REJECTS ANY TERMS BETWEEN BUYER AND ANY OTHER PARTY, AND NO SUCH TERMS, INCLUDING BUT NOT LIMITED TO ANY GOVERNMENT REGULATIONS OR "FLOWDOWN" TERMS, SHALL BE A PART OF OR INCORPORATED INTO ANY ORDER FROM BUYER TO PIEDMONT, UNLESS AGREED TO IN WRITING BY AN AUTHORIZED REPRESENTATIVE OF PIEDMONT.

3. PRICES AND DELIVERY. Product prices are determined by the applicable Sales Agreement, if any. In the absence of a Sales Agreement, prices are determined by Piedmont's written or emailed confirmation of Buyer's order or, in the absence of a confirmed order, Buyer agrees to pay the prices quoted by Piedmont, and is responsible for additional applicable shipping and handling charges, taxes and duties. Unless otherwise stated, all goods will be delivered CIP (Incoterms® 2010) at a facility specified by Buyer, and payment will be due within thirty (30) days of the invoice date. Buyer agrees to reimburse Piedmont for Piedmont's costs of collection should Buyer fail to pay Piedmont in a timely manner, including reasonable legal fees and interest at the annual rate of LIBOR plus 5% (or the maximum allowed by applicable law, whichever is lower). Risk of loss or damage to Products will pass to Buyer in accordance with the Incoterm specified by Piedmont. All delivery dates are estimates only.

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4. CREDIT AND DEFAULT. Buyer represents and warrants to Piedmont that it is solvent at the time this contract is made and Buyer hereby makes a continuing representation and warranty of its solvency at the time of each tender or delivery hereunder. In the event of a default by Buyer of these Terms and Conditions of sale, Piedmont may elect its rights and remedies including, but not limited to the following: (a) cancel this and/or any other contracts (or any part thereof) with Buyer (with Buyer remaining liable for damages and any unpaid invoices for Products delivered); (b) defer or cancel any shipments to the Buyer; (c) declare forthwith due and payable all outstanding invoices to Buyer under this or any other contract; (d) bill at contract price (on a cash before delivery basis if Piedmont so elects) all or any part of the Products covered by this or any other contracts and require Buyer to specifically perform the contract by taking in and paying for such Products; and/or (e) recover Piedmont's reasonable legal fees.

5. LIMITED WARRANTY. Piedmont warrants that to the best of its knowledge all Products sold to Buyer will be free of any claim of ownership by third parties. Fabricated parts will meet the physical dimensions agreed upon in writing. Buyer shall inspect all Products for damage, defect or shortage promptly after Buyer receives them, and shall give Piedmont notice of any damage, defect or shortage that Buyer finds within three days of receiving the Products. The conditions of any test for conformance with Buyer's specifications shall be mutually agreed upon and Piedmont will be notified of, and may be represented at, all such tests. If any Product is determined by Piedmont not to conform to the warranty set forth above during the period ending at the earlier of (i) the date of use of the Product by Buyer, or (ii) one month from date of shipment by Piedmont, then Piedmont shall, at its sole option, either replace the defective Product or refund the purchase price once the defective product has been returned to Piedmont. Defective Products shall not be returned by Buyer until authorized by Piedmont in writing. This remedy is Buyer's exclusive remedy for breach of warranty. If applicable law prohibits this limitation of Buyer's remedies, then Piedmont agrees that the maximum amount Buyer may claim from Piedmont is the net purchase price Buyer actually paid to Piedmont for the Product determined to be defective. Buyer acknowledges that Piedmont is a distributor and not a manufacturer and makes no independent warranties other than those set forth herein.

BUYER AGREES THAT THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, GIVEN BY PIEDMONT BEYOND THIS LIMITED WARRANTY. PIEDMONT EXPRESSLY EXCLUDES ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, BREAKING, STRENGTH, SHRINKAGE, ABSENCE OF MINOR CONTAMINATION, PHYSICAL OR CHEMICAL QUALITIES OR VARIATION IN THICKNESS, OR SIZE. BUYER ACKNOWLEDGES THAT IT IS THE SOLE RESPONSIBILITY OF BUYER TO ASCERTAIN THE SUITABILITY OF THE PRODUCTS FOR ANY USE BY ITS OWN SAMPLING AND TESTING. BUYER ACKNOWLEDGES THAT PIEDMONT HAS NOT MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DESCRIPTION, DURABILITY OR SUITABILITY OF THE PRODUCTS WHICH BUYER HAS PURCHASED FROM PIEDMONT. Buyer shall assume all risks and liabilities arising out of possession, installation, use, or resale of the Products, including, but not limited to, any risk or liability based on alleged negligence on the part of Piedmont. Piedmont shall not be liable for normal manufacturing defects nor for customary variations from specifications.

6. LIMITATION OF CLAIMS. Except as agreed in the Limited Warranty set forth above, Piedmont shall not be responsible for any harm arising directly or indirectly out of Buyer's purchase, possession or use of any Product, whether based in contract, warranty, negligence or other tort, strict liability, or otherwise. **PIEDMONT SHALL NOT BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, EQUIPMENT DOWNTIME, COST OF ANY SUBSTITUTE FOR PRODUCTS, CLAIMS OF THIRD PARTIES OR INJURY TO PERSONS OR PROPERTY. THIS LIMITATION SHALL APPLY NOTWITHSTANDING A FINDING THAT ANY REMEDY FAILS OF ITS ESSENTIAL PURPOSE.**

7. ADVICE AND OTHER SERVICES. Buyer agrees that Piedmont will not have control over the design, testing or labeling of any product produced using the Products, and that Buyer is not relying on any representation or statement made by, or on behalf of, Piedmont with respect to the suitability of any Product for any purpose, or on any advice, recommendation or information obtained from Piedmont's product literature or web sites, including any design aid or other service made available by Piedmont. Buyer agrees and acknowledges it has tested and investigated the Products enough to form an independent judgment concerning their suitability for the use, conversion or processing intended by Buyer and shall not make any claim against Piedmont based on Piedmont's advice, statements, information, services or recommendations.

8. INTELLECTUAL PROPERTY. Any suggestions Piedmont may make about possible articles, designs or uses of Products do not give Buyer a license under any patent or other intellectual property right covering such articles, designs or uses, nor are they a recommendation that Buyer use any Product in a manner that may infringe any patent or other intellectual property right. Except as otherwise stated in this paragraph, if there is a claim that any Product, in the form in which Piedmont sold it to Buyer, infringes another company's or person's patent or other intellectual property right in the jurisdiction in which such sale took place, then

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(i) Piedmont will defend Buyer against such claim, and indemnify Buyer against all reasonable costs of such defense incurred by Buyer, and (ii) if any Product subject to such a claim is determined to infringe another company's or person's patent or other intellectual property right, Piedmont shall, at its sole option and expense, either procure for Buyer the right to continue using the Product or accept return of the Product from Buyer and refund the purchase price thereof. The foregoing states the entire obligation of Piedmont for intellectual property infringement. Notwithstanding the foregoing, Piedmont shall not be responsible for, and Buyer shall indemnify and hold Piedmont harmless against, any damages and costs incurred by Piedmont as a result of any claim of infringement of another company's or person's patent or other intellectual property right that arises from Piedmont's compliance with any specification or instruction provided by Buyer to procure certain products. In the event that Buyer shall become aware of any claim of the type described above, it will promptly notify Piedmont in writing and give Piedmont all necessary information, assistance and exclusive authority for the defense of any such claim and its settlement.

9. EVENTS BEYOND PIEDMONT'S CONTROL. Piedmont shall not be responsible if Piedmont's performance of any obligation hereunder (other than the payment of money) is delayed or becomes impossible or commercially unreasonable due to any cause or event beyond Piedmont's reasonable control, including, without limitation, acts of God, acts of any governmental authority, acts of Buyer, acts of terrorism, war, civil disturbance, labor disruption or strike, fire, explosion, release of dangerous or hazardous materials, inability to obtain necessary raw materials, utilities, transportation, machinery or services, supplier delays, and any similar or dissimilar cause or event.

10. HEALTH AND SAFETY COMPLIANCE. Piedmont will give Buyer Safety Data Sheets ("SDSs") or Material Safety Data Sheets or "MSDSs") as applicable, for Products sold hereunder. Buyer understands that some Products may be hazardous materials or hazardous substances under various laws and regulations when handled or processed. Buyer agrees to familiarize itself (without further reliance on Piedmont) with any hazards of the Products, their processing and applications and the containers in which the Products are shipped. Buyer agrees to provide the SDSs or MSDSs, as applicable, to all those required by law to receive same and to inform and train its employees, and properly warn and instruct its customers, as to hazards identified in the SDSs or MSDSs, or discovered by Buyer in its investigations. Buyer agrees to properly manage and dispose of all wastes and residues resulting from its use of all Products, including any disposable packaging, in accordance with applicable disposal or recycling laws. Buyer agrees to indemnify and save harmless Piedmont in the event Buyer fails to comply with its obligations in this paragraph.

11. EXPORT CONTROL AND ECONOMIC SANCTIONS COMPLIANCE. Buyer shall ensure that any Products, technology or software received from Piedmont are exported by Buyer only in compliance with applicable laws, including export control and economic sanctions laws.

12. ELECTRONIC COMMERCE. Buyer may not share any password, access code or similar credential issued to it by Piedmont, and Piedmont reserves the right to suspend or revoke any such credential. Buyer shall be solely responsible for ensuring the security and integrity of its ordering process. Any information provided by Piedmont via any Internet site or electronic communication (i) is subject to correction or change without notice, and (ii) is provided for the sole use of Buyer for purposes of facilitating individual transactions involving the purchase and sale of Products. Buyer agrees that it shall not rely upon any such information for any purpose other than making individual purchases and shall not seek to assert such information against Piedmont for any other purpose. Piedmont may issue electronic invoices for any purchases of Products and Buyer agrees to honor such invoice as if it had been delivered in writing.

13. TERMINATION; SUSPENSION. In the event Buyer or Piedmont breaches any material term of this Agreement, the non-breaching party may terminate this Agreement after thirty (30) days' prior written notice to the other party if the breach remains uncured after such thirty (30)-day period. Notwithstanding the foregoing Piedmont may terminate this Agreement or adjust Buyer's payment and/or credit terms effective immediately upon written notice to Buyer in the event (a) Buyer fails to pay any Piedmont invoice within the time provided in this Agreement on two or more occasions, (b) Buyer generally fails to pay its debts as they become due, (c) Piedmont reasonably believes Buyer's creditworthiness has deteriorated or Buyer is insolvent (whether based on the reasonable belief by Piedmont that Buyer's liabilities exceed its assets; the existence of a bankruptcy, assignment for the benefit of creditors or other similar proceeding involving Buyer; a liquidation of a significant portion of the assets of Buyer; or otherwise) and (d) of a sale of a majority of the assets, or a change of control of the ownership, of Buyer. If Buyer is in default hereunder, including by failure to pay invoices, Piedmont may suspend shipments of Product, require cash in advance of deliveries, and/or reduce payment terms until all invoices are current and Piedmont receives adequate assurance of future performance.

14. ARBITRATION. If any dispute arises between Piedmont and Buyer in connection with any supply by Piedmont to Buyer of Products, or any other interaction Buyer may have with Piedmont, Piedmont and Buyer shall negotiate in good faith to resolve same. If no resolution is reached within one month after the issue is initially raised, the dispute shall be resolved by arbitration conducted in Toronto, Ontario under the *Ontario Arbitration Act, 1991* if Buyer is a person or entity residing in Ontario and under the Ontario

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International Commercial Arbitration Act if Buyer does not reside in Ontario. The Parties shall agree on a single arbitrator. If the Parties cannot agree on a single arbitrator, either Party may apply to the Ontario Superior Court of Justice sitting in Toronto for the appointment of an arbitrator. The rules for such arbitration shall be agreed upon by the Parties, but failing agreement shall be determined by the arbitrator. The arbitrator shall have no power to: (a) alter or modify any of the express provisions of this contract; (b) to render any award which by its terms affects an alteration or modification of this contract; or (c) to award punitive damages. The arbitrator's failure to observe this limitation shall constitute grounds for vacating his award. The arbitrator shall have no power to direct Piedmont to deliver or release Products to Buyer until Buyer has fulfilled all of its obligations to Piedmont pursuant to the terms and conditions of all contracts involved in the arbitration. Each Party shall bear its own fees, costs and expenses with respect to any such arbitration except that the Parties shall share the costs of the arbitrator equally. The decision of the arbitrator shall be binding, final and conclusive and no appeal shall lie therefrom. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

15. RETENTION OF TITLE. Buyer grants to Piedmont all retention of title rights applicable in their respective country. In the event of an act of insolvency by Buyer, Piedmont shall have authority to retake, sell or otherwise deal with and/or dispose of all or any part of Piedmont's Products in unopened condition at the time of the insolvency; Piedmont and its agents and employees shall be entitled at any time, upon reasonable notice, to enter upon the property upon which the Products are stored to inspect such Products; Buyer shall store or mark the unopened Products in a manner reasonably satisfactory to Piedmont indicating that title to the goods covered remains vested in Piedmont; and Buyer shall insure the goods for their full replacement value.

16. GENERAL. Cancellation of any order, or return of any conforming Product purchased hereunder, shall be subject to acceptance by Piedmont and to a restocking charge in accordance with Piedmont's policy then in effect. Neither course of performance or dealing, nor usage of trade, nor prior writings or agreements shall be used to qualify, explain or supplement any of these terms and conditions. Failure by either party, at any time or from time to time, to require the performance by the other of any term hereof shall not constitute a waiver of such term or provision. The invalidity, in whole or in part, of any term herein, shall not affect any other term, each of which shall be enforced to the full extent permitted by law. Buyer may not assign or transfer any rights or obligations under any Sales Agreement or other agreement governed by these terms without the prior written consent of Piedmont. Notice shall be deemed properly given if sent by facsimile, confirmed by registered mail with return receipt, overnight courier mail, hand-delivered, or registered mail with return receipt. Piedmont shall be entitled to reference Buyer as a customer of Piedmont and utilize photographs of Buyer's applications utilizing Piedmont's products in Piedmont's marketing materials.