

MICROPLASTICS, INC. - TERMS AND CONDITIONS OF SALE

I. Acceptance: General. No terms and conditions other than the terms and conditions contained herein (the "Agreement") shall be binding upon Seller unless accepted by it in a writing signed by Seller. All terms and conditions contained in any other oral or written communication which are different from or in addition to the terms and conditions herein are hereby rejected and this document is the complete and exclusive statement of the terms, save for purchase orders submitted by Buyer for the purchase of the items contemplated by this Agreement (the "Products") which are consistent with this document and which are accepted by Seller (a "PO"). Seller reserves the right to approve the design and quality of inserts furnished or sourced by Buyer. If inserts are sourced or supplied by Buyer, Buyer agrees to reimburse us against damage to molds or tools caused by or connected with defective inserts. Buyer agrees to accept Products molded with defective inserts furnished or purchased from Buyer recommended sources.

II. Price and Payment. Any quoted pricing is based on the quantity and production schedule specified. All production prices are based on the cost of materials and outside services as of the date on the acknowledgment or quote. To the extent long-term pricing is specifically agreed to by Seller, prices on future orders will be directly related to the cost of those materials and services required. Annual pricing reviews will be made for those instances to allow for inflationary adjustment and will be effective for all products shipped following January 1 of each year. Terms are net thirty (30) days unless otherwise noted. Seller reserves the right at any time to suspend, limit or otherwise modify the terms of such credit whenever, in Seller's opinion, Buyer's financial condition so warrants (including requiring Buyer to make cash payment or provide other security prior to or upon tender by Seller of delivery of Products). A monthly charge of two percent (2.0%) (or the highest rate allowed under applicable law) on all sums outstanding will be added to each past due amount and Seller shall be entitled to all costs of collection (including reasonable attorneys' fees). Unless otherwise agreed to in writing by Seller, all prices quoted are exclusive of transportation and insurance costs, duties, and all taxes. Buyer agrees to reimburse Seller for all loss as a result of any change or cancellation of whole or part of any PO where the charges involve expenses already incurred, commitments made by Seller, profit on work in process and purchase order value of parts completed and ready to ship. A \$50 service and collection charge will be made for all unauthorized discounts taken. It is understood that this charge covers the cost of computer re-entry, re-billing, and re-collection.

III. Shipment and Inspection. Subject to any contrary terms contained in a PO which are expressly accepted by Seller, all Products are shipped F.O.B. Seller's facility and Buyer shall be responsible for arranging for and paying the carrier. Risk of loss and title shall pass to Buyer upon delivery to Buyer's carrier. The cost of any special packing or handling required by Buyer or the nature of the Products shall be borne by Buyer. Claims for damage, shortage or errors in shipping must be reported within two (2) days following delivery to Buyer. Buyer shall have ten (10) days from the date Buyer receives any products to inspect such products and services for defects and nonconformance which are not due to damage, shortage or errors in shipping and which are discoverable upon a reasonable inspection and notify Seller, in writing, of any such defects, nonconformance or rejection of such Products. After such ten (10) day period, Buyer shall be deemed to have irrevocably accepted the products, if not previously accepted. After such acceptance, Buyer shall have no right to reject the Products for any reason or to revoke acceptance. Buyer hereby agrees that such period is a reasonable amount of time for such inspection. Buyer shall have no right to order any change or modification to any PO or otherwise cancel any PO without Seller's written consent and payment to Seller of all charges, expenses and reasonable profits owed to or incurred by Seller. Buyer agrees that Seller may over ship Products in any delivery in an amount not to exceed five percent (5%) of the total order quantity without penalty and with the right to bill for the entirety of such order. All returns must follow the procedure outlined in Seller's Quality Manual per the ISO standard. Any unauthorized return or short payment of invoices will create an interruption to the flow of products until the matter is resolved. If a return is authorized, Seller's liability shall be solely for the cost of their manufactured component/s and Seller will be entitled to assess administrative, sorting and shipping charges.

IV. Representations. Buyer represents and warrants that: (a) the Products, their specifications and their sale or use do not and will not infringe any intellectual property rights of any third party, including, but not limited to, any trade secret, trademark, copyright or patent (except to the extent designed by Seller), and (b) the marketing, sale, distribution and use of the Products by Buyer comply and will comply with applicable laws and regulations.

V. Tooling. Unless otherwise expressly agreed to in writing by Seller, all tooling designs, specifications, drawings and associated intellectual property are considered proprietary and remain the exclusive property of Seller. Buyer shall pay in full for new tooling before manufacturing a part for new production shall commence. Buyer agrees that if production tooling is removed from Seller's premises without reasonable and agreed upon cause, Seller reserves the right to enforce a tool-in-production charge of 1/3 of the initial tooling cost. It is understood that the initial tooling cost does not cover any or all of the design or engineering changes made in the course of molding Products more efficiently and that those designs or changes were not included in the initial tooling charge. All prototype tooling becomes property of Seller. If Buyer fails to remove any tooling or other property from Seller's facility within a reasonable period (but in no event, longer than 30 days)

after notice from Seller, Seller shall be entitled to assess a reasonable storage fee and/or dispose of or return such tooling or property to Buyer at Buyer's sole expense. If Seller has purchased any specialty or unique raw materials or components specifically to service Buyer, Seller may invoice Buyer for such materials or components at its cost and subject to the further payment terms set forth herein. In addition, Seller reserves the right to invoice Buyer for all costs and expenses incurred by Seller (including labor costs) in the maintenance and repair of any of Buyer's tooling upon the termination of the supply relationship between the parties.

VI. Warranty. The exclusive and limited warranty provided by Seller hereunder is that the Products will conform to those specifications provided by Buyer and accepted in writing by Seller (the "Warranty") for a period of one (1) year or such shorter period specified in any Seller quote or the PO or the shorter useful life of the Product. OTHER THAN THE WARRANTY, SELLER MAKES NO WARRANTY WITH RESPECT TO THE PRODUCTS, AND THE BUYER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. The Warranty applies only to the extent that any nonconforming Products have been properly handled, used installed and/or maintained. Seller recommends that Buyer independently test the Products to determine suitability for the intended use and of any materials used in the manufacture of the Products (and Buyer is not relying upon Seller to determine said suitability). Seller offers no warranty or guarantee on any materials or plastic resins other than those guarantees or warranties made by the producers of that material or resin which can be passed through to Buyer. Buyer assumes full responsibility for selection of any resin or material used in the molding the Product.

VII. Limitation of Liability. In the event that it is determined that the Warranty has been breached, the liability of Seller and the remedies available to Buyer will be limited to the repair or replacement of the Product by Seller or the return of the purchase price of such Product, as determined by Seller in its sole discretion. SUBJECT TO THE FOREGOING LIMITATIONS, SELLER'S LIABILITY FOR ANY OTHER CLAIM RELATING TO THE PRODUCTS OR ANY SERVICE PROVIDED BY IT TO BUYER, WHETHER BASED ON BREACH OF CONTRACT, NEGLIGENCE, PRODUCT LIABILITY OR OTHERWISE, SHALL NOT EXCEED THE PURCHASE PRICE OF THE PRODUCT. IN ADDITION, NEITHER PARTY SHALL BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES WHATSOEVER, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS SAVINGS, BUSINESS INTERRUPTION OR LOSS OF ANTICIPATED BENEFITS, ARISING OUT OF THE USE OR INABILITY TO USE THE SERVICES AND/OR PRODUCT(S), EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

VIII. Indemnification. Subject to the limitations on liability set forth in Section VII, the parties shall indemnify and hold each other and their respective affiliates, shareholders, members, directors, officers, employees and agents ("Indemnified Parties") harmless from and against any loss, liability, damage or expense, including reasonable attorneys' fees ("Losses"), such parties may incur as a result or, arising out of or by reason of any breach, misrepresentation or nonfulfillment on the part of such party of this Agreement. Buyer shall further hold Seller Indemnified Parties harmless from and against Losses resulting from or relating to Buyer's or its customers' use, marketing, distribution or sale of the Products.

IX. Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois (regardless of the laws that might be applicable under principles of conflicts of laws) as to all matters, including, but not limited to, matters of validity, construction, effect and performance. The parties hereby irrevocably consent to the exclusive jurisdiction of the courts of the State of Illinois in DuPage County, and the federal court for that jurisdiction, and waive any contention that any such court is an improper venue for enforceability of this Agreement. Buyer acknowledges Seller's right to a molder's lien with respect to amounts due hereunder as provided by applicable law. And further agrees that after an account has been delinquent for three months, Seller reserves the right and Buyer hereby consents to Seller's sale of such molds and tools and any parts made therefrom. The failure of Seller to insist upon performance of any provision or to exercise any right or privilege granted to Seller in this Agreement shall not be construed as waiving such provision or privilege. The invalidity of any terms or provisions hereof shall not affect the validity of the remaining terms or provisions, and this Agreement shall be construed as if such invalid terms or provisions had been omitted. Neither party shall be in default of its obligations hereunder to the extent that its performance is delayed or prevented by causes beyond its reasonable control, including but not limited to acts of God, civil disorders, acts of any civil or military authority, judicial action, terrorist acts, natural disasters, shortage of raw materials and strikes and other labor problems or shortages.