

Houston Plastic Products Corporation  
Standard Terms and Conditions of Purchase

All purchases by Houston Plastic Products Corporation and its subsidiaries (Buyer) are subject to Seller's acceptance of these Standard Terms and Conditions of Purchase. Unless superseded on the face of Buyer's Purchase Order, these Standard Terms and Conditions are a part of any contract to purchase materials or services by Buyer and Buyer specifically objects to any different or additional terms contained in any quote, acknowledgement, acceptance, confirmation, packing list, invoice or other instrument prepared by Seller, including Seller's published Terms and Conditions of Sale, if any.

- 1) **ACCEPTANCE AND ACKNOWLEDGEMENT**—Seller shall be deemed to have accepted these Standard Terms and Conditions of Purchase by delivery of the materials or performance of the services described in Buyer's Purchase Order or by delivery to Buyer of an acknowledgement of Buyer's Purchase Order, notwithstanding that such shipment, performance or acknowledgement contains or is conditioned upon Buyer's acceptance of different or additional terms. No such different or additional terms shall become a part of the agreement between Buyer and Seller unless set forth on the face of Buyer's Purchase Order.
- 2) **PRICE**—All materials and services shall be invoiced at the price set forth on the face of Buyer's Purchase Order. Seller represents that the price charged Buyer is the lowest price charged by Seller for materials or services of the same description and quantity and complies with applicable government regulations in effect at the time of quotation, sale, performance and delivery. The price set forth in Buyer's Purchase Order includes all value added, sales, use and excise taxes and all fees, duties and surcharges relating to the purchase of materials or services subject to the Purchase Order.
- 3) **INVOICING AND PAYMENT**—Invoices for materials or services shall include Buyer's order number, the unit price, quantity shipped or provided and extension price, and shall be delivered to Buyer promptly after each shipment or performance at: 13026 Rosecrest Drive, Houston, TX 77045 Attn: Accounts Payable. Invoices shall be payable by Buyer net 60 days after receipt. Buyer may reject without payment any invoice that is inaccurate or incomplete.
- 4) **CHANGES**—Buyer shall have the right at any time to change the total quantity of materials or services subject to any Purchase Order, delivery schedule, method of shipment and packaging, or drawings, specifications and other descriptions of the materials or services at any time before delivery or performance. If any such change causes an increase or decrease in prices or in the time required for performance, Seller shall promptly notify Buyer. If such increase or decrease is acceptable to Buyer, Buyer will issue a Purchase Order Revision setting forth the change in price or delivery date.
- 5) **TERMINATION**—Buyer may terminate all or any part of undelivered quantities of materials or services covered by any Purchase Order. Seller's exclusive remedy for such termination shall be reimbursement of its actual costs incurred in connection with the performance of such Purchase Order before the receipt of the cancellation notice. Seller shall dispose of all materials acquired in connection with the performance of such Purchase Order in accordance with Buyer's instructions and shall apply any proceeds from the disposition of such materials to the reduction of cancellation charges payable by Buyer. **UNDER NO CIRCUMSTANCES SHALL SELLER BE ENTITLED TO RECOVER LOST PROFITS, LOST VOLUME DISCOUNTS, DIRECT OR INDIRECT OVERHEAD COSTS, OR OTHER AMOUNTS RELATING TO THE CANCELLED MATERIALS OR SERVICES AND THE TOTAL CANCELLATION CHARGES PAYABLE BY BUYER SHALL BE LIMITED TO THE PURCHASE ORDER PRICE FOR CANCELLED MATERIALS OR SERVICES.**
- 6) **SHIPMENT**—All materials shall be shipped or delivered as of the dates set forth in the Purchase Order. Seller shall not ship any materials before the specified shipment date without Buyer's written authorization, which may be granted or denied at the option of Buyer.
- 7) **PACKING, MARKING, AND SHIPPING**—Each shipment of materials shall be (a) marked with the Buyer's Purchase Order number and, if any shipment consists of more than one package, each package shall be marked with the total number of packages in such shipment and the number of the individual package; (b) packed as necessary to avoid loss, damage or deterioration in shipment (including exposure to the elements, theft or shrinkage); (c) shipped via carriers specified by Buyer, routed in accordance with Buyer's instructions, and consolidated with other shipments as necessary to obtain the lowest shipping costs consistent with the specified delivery schedule; (d) accompanied by a packing list showing the description of materials and quantities, a copy of which shall be separately mailed or delivered to Buyer; and (e) in compliance with all applicable laws, rules and regulations of the country of origin, any country of transshipment and the country of destination. Seller must provide Buyer with prior written notice and prepay return shipping costs if any packaging or containers must be returned to Seller.
- 8) **RISK OF LOSS**—Without regard to any shipment or delivery terms stated in any order, Seller shall retain title to and all risk of loss of or damage to any shipment until such materials are received by Buyer at the shipment destination and have been inspected, weighed or counted and accepted by Buyer.
- 9) **WARRANTY**—Seller warrants that all materials will be new, contain no reused or recycled parts or materials (unless specified on the face of the order), conform to the specifications, drawings, samples or other description furnished or specified by Buyer, and will be fit and sufficient for the purpose intended, merchantable, of good material and workmanship and free from defects. Seller warrants that all services will be performed in a good and workmanlike manner consistent with the best industry practices in the place of performance. Seller shall be responsible for all damages incurred by Buyer as a result of non-conforming or defective materials or services, including incidental and consequential damages. In addition to any other remedy that Buyer may have for a breach or violation of this warranty, Buyer may deduct any costs incurred in connection with non-conforming or defective materials or services from amounts otherwise due and payable to Seller.
- 10) **PATENTS**—Seller warrants that no materials supplied or services performed by Seller will infringe any patent, trademark, copyright, trade secret or other intellectual property right of any person.
- 11) **INDEMNITY**—Seller agrees to defend, indemnify and hold harmless Buyer from and against any loss, damage or liability, including attorney's fees and expenses of any kind relating to or arising out of (a) the materials purchased from or services performed by Seller; (b) any negligence or willful misconduct of Seller or any person for whom Seller is responsible; (c) Seller's breach of any representation, warranty or covenant contained in these Standard Terms and Conditions of Purchase or any Purchase Order for materials or services by Buyer; or (d) any violation of law by Seller or any person for whom Seller is responsible. Seller will maintain general liability insurance (including contractual liability, products liability, completed operations, builders risk and owned and non-owned automobile liability) with limits of at least \$3,000,000, and Workers' Compensation insurance in the required statutory limits. All insurance shall be endorsed to waive subrogation against Buyer and to name Buyer as an additional insured and loss payee as its interest appears. Seller will provide Buyer with evidence of the required insurance upon request.
- 12) **CONFIDENTIALITY**—Seller shall treat as strictly confidential all specifications, drawings, blueprints, samples, models, and other information supplied by Buyer. Seller shall not without prior written consent of Buyer disclose or divulge to any third person or persons any such information not previously known by Seller or not common knowledge in the industry.
- 13) **TOOLS, DRAWINGS, ETC.**—Unless otherwise agreed to in writing, all specials dies, molds, patterns, jigs, fixtures, drawings, and any other property furnished to Seller by Buyer, or specifically paid for by Buyer, for use in performance of any order shall be and remain the property of Buyer, shall be subject to removal upon Buyer's instruction, shall be used only in fulfilling orders from Buyer, shall be held at Seller's risk, and unless Buyer has notified Seller to the contrary, shall be kept insured by Seller at Seller's expense while in its custody. Seller shall not allow any lien or other encumbrance to attach to such special tooling.

- 14) INSPECTION—All materials are subject to inspection and acceptance or rejection by Buyer upon receipt at Buyer's location. All services are subject to inspection and acceptance or rejection by Buyer at any time during the performance thereof. Seller will not cover up any work performed until Buyer has been notified that such work is ready for inspection and acceptance. Any work covered up before inspection shall be exposed for inspection and acceptance or rejection by Buyer at Seller's sole cost and risk. Buyer reserves the right to reject or revoke acceptance of any materials or services that are not in accordance with the specifications, drawings or data or Seller's warranty (express or implied). Any rejected materials will be returned to Seller at Seller's expense and may not be reshipped to Buyer without notice that such materials have been previously rejected and any rejected work will be promptly re-performed and submitted for acceptance or rejection. Payment for any materials or services shall not be deemed acceptance thereof.
- 15) GOVERNMENT CONTRACTS—If any Purchase Order is for material or services under a government contract, all of the provisions of the government contract including applicable government procurement regulations shall be incorporated by reference into such Purchase Order.
- 16) ASSIGNMENT—Seller may not assign any or its rights or delegate any of its duties under any Purchase Order without the prior written consent of Buyer.
- 17) LAWS, REGULATIONS and CHEMICAL SUBSTANCES—Seller represents, warrants and agrees that it will comply with the provisions of all applicable laws, regulations and orders. Without limiting the generality of the foregoing, Seller specifically agrees to comply with the following: Occupational Health and Safety Act as amended (OSHA), Toxic Substances Control Act as amended (TSCA), and Fair Labor Standards Act as amended (FLSA), and all regulations and executive orders issued pursuant to such Acts. By acceptance of this order, Seller certifies that the chemical substances furnished pursuant to this order have been properly labeled, that proper information and materials safety data sheets have been provided to Buyer pursuant to any legislation and that all purchased materials used in part manufacture satisfy all government and safety constraints on restricted, toxic, and hazardous materials, as well as environmental and electromagnetic considerations applicable to the country of manufacture and sale.
- 18) GOVERNING LAW AND FORUM SELECTION —These Standard Terms and Conditions of Purchase and any contract between Buyer and Seller shall be governed by the laws of the State of Texas, excluding any provision thereof that would direct the application of the laws of any other jurisdiction. Any dispute concerning these Standard Terms and Conditions of Purchase or any contract between Buyer and Seller shall be subject to the exclusive jurisdiction of a state courts located in Harris County, Texas or, if it can obtain and retain jurisdiction of such dispute, the United States District Court for the Southern District of Texas, Houston Division. Buyer and Seller expressly waive any claim that such courts do not have jurisdiction over such disputes, that venue in Harris County, Texas is not property or that the venue in Harris County, Texas is inconvenient.
- 19) SEVERABILITY — Any provision of these Standard Terms and Conditions of Purchase that are invalid, illegal or unenforceable in any jurisdiction as written shall, as to such jurisdiction only, be modified or limited as necessary to be valid, legal and enforceable in such jurisdiction. If such provision cannot be modified or limited so as to be valid, legal and enforceable in such jurisdiction, it shall be deleted from these Standard Terms and Conditions of Purchase with respect to such jurisdiction only and the remainder of these Standard Terms and Conditions of Purchase enforced as if such invalid, illegal or unenforceable provision had never been a part hereof.
- 20) WAIVER — No failure to exercise, or delay in exercising any rights, remedies, power or privilege under these Standard Terms and Conditions of Purchase shall cause or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.