

UNITED BAGS, INC. GENERAL TERMS AND CONDITIONS FOR THE SALE OF GOODS

NOTICE TO CUSTOMERS: The sale of any goods or services by United Bags, Inc. ("Seller") or any of its subsidiaries or affiliates is expressly conditioned on Customer's assent to these General Terms and Conditions for the Sale of Goods ("Terms and Conditions"). Any acceptance of Seller's offer is expressly limited to acceptance of these Terms and Conditions and Seller expressly objects to any additional or different terms proposed by Customer. Any order to purchase goods or receive services shall constitute Customer's assent to these Terms and Conditions.

1. Any order to purchase goods or receive services either by an oral request, written purchase order or other form or memorandum (sometimes referred to herein as the "Order"), when accepted or acknowledged by Seller either by oral confirmation, written order acknowledgment, invoice or other memorandum, together with these Terms and Conditions (taken together, this "Agreement"), shall become a binding contract between Seller and the Customer identified by the Order, upon acceptance of such Order by Seller (which acceptance is expressly conditioned on Customer's assent to all the terms of this Agreement). None of these Terms and Conditions may be added to, modified, superseded or otherwise altered except as revised in writing by Seller. The Order and all subsequent orders for goods or services received by Seller shall be governed only by these Terms and Conditions. No course of performance, course of dealing or usage of trade shall be deemed to operate as a modification or waiver of these Terms and Conditions or the parties' Agreement. Seller hereby objects to any terms and conditions which may be found in any purchase order or any other form or memorandum issued by Customer and hereby notifies Customer that they are rejected.
2. Unless the parties agree in writing to modify the payment terms, the terms of payment shall be net cash thirty (30) days following the date of invoice, or by letter of credit paid upon submittal of shipping documents, all payable in U.S. dollars. Customer shall pay interest on all late payments at the lesser of the rate of 1.5% per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. In addition to all other remedies available under this Agreement, Seller shall be entitled to suspend production or shipment of any goods or services if Customer fails to pay any amounts when due hereunder and such failure continues for thirty (30) days following written notice thereof. If Buyer disputes any invoice or portion thereof, it shall notify Seller in writing within thirty (30) days of receipt of said invoice and detail the reason for the dispute. All charges not timely disputed in writing shall be deemed to be undisputed and shall be due and payable as set forth above. Notwithstanding anything contained herein, Customer shall not be entitled to withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Seller, whether relating to Seller's breach, non-performance, non-conforming goods or otherwise.
3. If Seller is providing vendor managed inventory for Buyer, the Buyer must pay for all inventory within 6 months of the Seller receiving the product in their facility. Buyer must take possession of all product within a year of the product arriving at the Sellers Facility. Should Buyer not take possession of the product within a year, Seller may scrap the product or sell it to another customer. Should product be sold to another customer, Buyer will not receive reimbursement.
4. Customer's requested shipping dates stated in the Order are informational only and of no legal force and effect. Actual date of shipment is subject to reasonable production, supply, shipping and other scheduling changes made after the date of the Order. Customer agrees to accept shipments made at Seller's earliest convenience, even if made after the date set forth in the Order. Seller reserves the right to select the means of transportation and routing and to ship loads of any quantity without charge to Seller. Shipment by Seller shall be made on the ship date in Seller's invoice or within a reasonable period of time thereafter based upon availability.
5. Title of the goods and risk of loss with respect thereto passes to and is assumed by the Customer f.o.b. Seller's distribution
6. Where inspection rights are requested by Customer and authorized by Seller, any such inspection shall be made by the Customer at the time and place of delivery. Customer's inspector or representative shall be deemed the agent of the Customer with authority to waive specified tests and details of test procedure and to accept goods as conforming to the Agreement with respect to all characteristics of such goods for which such inspection is made. Notwithstanding anything contained herein, written approval by Customer's inspector shall constitute an unqualified acceptance of the goods and a waiver by the Customer of any error, shortage or other freight loss, defect, damage or other claim by Customer relating to the goods.
7. Customer represents and warrants to Seller that (i) Customer has the requisite power and authority to deliver the Order and accept these Terms and Conditions and to perform the obligations hereunder, (ii) Customer and/or Customer's Inspector are familiar with the characteristics of the goods and services, (iii) Customer's use of the goods and services will be strictly in accordance with all terms of use thereof and will not be in violation of any rule, law, regulation, ordinance or statute, and (iv) Customer has instituted adequate measures to educate its employees, agents, contractors and customers with respect to the proper use and operation of the goods and services and to protect against the misuse of such goods.
8. Customer's failure to give notice of any claim for errors, shortages, defective goods, and any other claims of Customer relating to the goods IN WRITING WITHIN TEN (10) DAYS OF RECEIPT OF GOODS shall constitute an unqualified acceptance of the goods and a waiver by the Customer of all claims with respect thereto. All claims must refer to the date, purchase order number and product description on Seller's invoice.
9. Seller shall not be liable for delays or deficiencies in production or shipment, defective goods or failure to perform hereunder due to any contingency beyond its reasonable control, including but not limited to acts of God, wars, riots, fires, explosions, breakdowns or accidents, strikes, lockouts or other labor difficulties, lack or shortages of labor, materials, utilities, energy sources or transportation facilities, compliance with governmental rules or regulations, whether valid or invalid (including but not limited to priorities, requisitions, allocations, and price adjustment restrictions), inability to obtain material, equipment or transportation, and any other similar or different contingency not completely within Seller's control. Seller shall have the right to omit during the period of such contingency all or any portion of the quantity deliverable during such period, whereupon the total quantity deliverable under this Agreement shall be reduced by the quantity so omitted. The foregoing shall be in addition to and not in limitation of any excuses for nonperformance available to Seller under the Uniform Commercial Code or any other applicable law. If due to any such occurrence, Seller is unable to supply the total demands for any goods specified in this Agreement, Seller shall have the right to allocate its available supply among its Customers and its departments and divisions in a fair and equitable manner, or to cancel the remainder of the Agreement. In no event shall Seller be obligated to purchase goods or materials from others in order to enable it to deliver goods or services to Customer hereunder.
10. In addition to purchase price, Seller may assess reasonable, additional charges to Customer for any changes in this Order, including but not limited to charges occasioned by changes in specifications, quantities, delivery, schedule or cancellation. Customer shall also pay immediately upon demand by Seller, the amount of all governmental taxes, excises and/or other charges that Seller may be required to pay with respect to the production, sale, delivery, storage, processing or transportation of any goods or services delivered hereunder.
11. Accepted Orders for goods or services cannot be canceled in whole or in part without Seller's written consent. In the event Customer requests cancellation of Orders for goods or services which have already been manufactured or otherwise performed in whole or in part, such cancellation shall be at Seller's option and subject to charges as determined by Seller.
12. In the event Customer's financial responsibility shall be or become unsatisfactory to Seller, cash advances or security may be demanded by Seller, and in the event of default of such cash advances or security, Seller may cease performance under the Agreement, discontinue any deliveries and charge the Customer with all expenses incurred in connection with the Agreement.

13. To the fullest extent permitted by law, Customer shall indemnify, defend, save and hold Seller (including its affiliates and subsidiaries) harmless from and against all liability, damage, loss, claims, liens, costs, demands, suits and actions of any nature whatsoever which arise out of or are connected with, or are claimed to arise out of or be related in any way with Customer's negligence, gross negligence or willful misconduct in connection with the use, misuse, erection, maintenance, operation, or failure of any goods or services purchased by Customer or any customer of Customer. This indemnification shall include any and all costs of defending any action alleging any aforementioned cause, including reasonable attorneys' fees, costs and litigation expenses.

14. Seller shall indemnify Customer for any award of damages against Customer by a court of competent jurisdiction for infringement of a valid U.S. patent in connection with the use or sale of goods provided herein when such goods are provided in accordance with Seller's designs and specifications. Seller will not indemnify or hold harmless Customer or any other party from or against any liability, damage, loss, claim, cost, demand, suit or action arising from any other use, manufacture or operation of goods or services provided herein.

15. The goods and services provided by Seller pursuant to the Order are limited exclusively to the goods and services expressly identified in the Order. Seller does not assume responsibility and/or liability for the failure to provide any other goods or services. Modifications, additions or deletions to or from the goods or services sold pursuant to the Order shall only be effective if evidenced in writing signed by Seller and the sale of any and all goods and services affected by such modification, addition or deletion shall be subject to these Terms and Conditions. All sales are final.

16. Seller shall take reasonable steps to ensure that all goods and services provided herein are manufactured or sold in compliance with applicable federal, state or local laws, rules or regulations. Customer acknowledges that goods and services may be used in various jurisdictions for various applications subject to disparate regulations, and therefore, that Seller cannot warrant compliance with all applicable laws, rules and regulations. Seller disclaims any representation or warranty that goods or services conform to federal, state or local laws, rules or regulations, except as expressly set forth by Seller in writing.

17. This Agreement shall be construed in accordance with the laws of the State of Missouri. Any action at law or equity or other judicial proceedings with respect thereof shall be brought and maintained solely in the State of Missouri, County of St. Louis or in the United States District Court for the Eastern District of Missouri. If Customer shall default in its performance under this Agreement, and the default results in Seller incurring attorneys' fees to enforce the terms of this Agreement or to recover damages for breach of this Agreement, then Customer shall pay Seller's attorneys' fees, costs and litigation expenses in addition to any other damages recovered.

18. **WARRANTY AND LIMITATIONS OF WARRANTY:** The sole and exclusive warranty which Seller makes only to Customer with respect to the goods described and specified therein is that they shall be manufactured in accordance with standard manufacturing practices (subject to tolerances and variations consistent with good manufacturing practices with respect to dimension, weight, straightness, section and composition; normal variations in surface, internal conditions and quality; and normal deviations from tolerance and variations consistent with practical testing and inspection methods) and goods so manufactured and shipped are deemed free from all defects and deficiencies and can give rise to no claim by Customer. Seller's warranty is conditioned upon proper handling, use and storage of goods; upon compliance with all applicable recommendations of Seller; and upon Customer making a written claim within the time limits prescribed in above. Seller warrants title to the goods but does not warrant against infringement of any kind. THE FOREGOING WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. IT IS FURTHER UNDERSTOOD THAT THERE ARE NO WARRANTIES BASED ON ANY TRADE USAGE OR RELEVANT COURSE OF DEALINGS. CUSTOMER HEREBY WAIVES ANY CLAIM THAT ANY LIMITATIONS OF ANY WARRANTY PROVIDED BY SELLER DEPRIVE IT OF AN ADEQUATE REMEDY OR CAUSE ITS AGREEMENT WITH SELLER TO FAIL OF ITS ESSENTIAL PURPOSE.

19. **WAIVER AND LIMITATION OF LIABILITY:** CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES FOR LIABILITY OF ANY KIND WITH RESPECT TO THE GOODS OR SERVICES FURNISHED UNDER THIS AGREEMENT AND ANY OTHER PERFORMANCE BY SELLER UNDER OR PURSUANT TO THIS AGREEMENT, OR WITH RESPECT TO CUSTOMER'S USE THEREOF, INCLUDING SELLER'S OWN NEGLIGENCE, SHALL BE LIMITED TO THE LESSER OF (I) CUSTOMER'S ACTUAL DAMAGES OR (II) THE SUM PAID BY CUSTOMER ON ACCOUNT OF SUCH GOODS OR SERVICES FROM WHICH CUSTOMER'S DAMAGES ARE ALLEGED TO ARISE, AND SHALL IN NO EVENT INCLUDE ANY INCIDENTAL, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES FOR INJURIES TO PERSONS OR PROPERTY, LOSS OF PRODUCTION AND/OR LOSS OF USE, REVENUE, OR PROFIT EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. It is expressly understood that Seller shall have no other liability to Customer under the law of contract, negligence, strict liability in tort or any other legal theory. This waiver and limitation of liability does not, however, apply to gross negligence or intentional torts by Seller. No action, regardless of form, arising out of the transactions under this Agreement may be brought by Customer more than one year after the Goods were shipped to Customer.

20. Seller reserves the right to assign any portion of this Agreement provided, however, any such assignment shall not relieve Seller of its obligation of performance hereunder. Customer may not assign its rights or delegate its performance hereunder without the prior written consent of the Seller, which consent may be withheld in Seller's sole discretion.

21. Waiver by Seller or Customer of any provision of these Terms and Conditions or the breach of any such provision shall not be construed as a waiver of any other provision or any other breach of that provision. The invalidity of any provision of these Terms and Conditions shall not affect the validity of the remaining provisions or of the Agreement as a whole.

22. This Agreement and the foregoing Terms and Conditions constitute the entire agreement between Customer and Seller relating to the subject matter hereof, and supersede all prior and contemporaneous discussions, understandings and agreements related to the subject matter hereof.