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TERMS AND CONDITIONS OF SALE

In order to facilitate current and subsequent electronic communication, these Terms and Conditions of Sale ("Terms") are incorporated by reference into each and every Order Acknowledgement and Invoice ("Forms"), as if these Terms were printed on the reverse side of the Forms. Please keep a printed copy of these Terms on file for reference. These terms can also be referenced electronically at www.spbox.com/terms.

1. **PRICES:** Prices are quoted for immediate acceptance, and are subject to change without notice prior to Purchaser's acceptance. Pricing is subject to change if actual specifications differ from those provided for the Quotation. Prices applicable to blanket purchase orders are subject to change from time to time at the sole discretion of Sheboygan Paper Box Company.
2. **BILLING:** Unless otherwise agreed and subject to the terms stated below, Sheboygan Paper Box Company will invoice upon release and shipment of goods manufactured for the Purchaser, or in the event Finished Goods inventory over terms. In the event of a cancellation of an order, Purchaser will be invoiced for conversion and materials incurred to the date of the cancellation. In the event of bankruptcy, insolvency, sale or potential sale of the Purchaser, or any other financial condition of the Purchaser deemed material by Sheboygan Paper Box Company within its sole discretion, Sheboygan Paper Box Company may, at its sole option, invoice for goods manufactured for the Purchaser but not yet released or shipped to Purchaser.
3. **PAYMENT:** Unless otherwise agreed, on all orders and purchases, payment will be made within thirty (30) days after the actual date of Sheboygan Paper Box Company's invoice(s). No cash discounts are allowed. Unless otherwise agreed, a monthly interest charge at the rate of one and one-half (1½%) percent will be assessed on all past due payments.
4. **TESTING AND ACCEPTANCE:** Prior to the delivery of any products, Sheboygan Paper Box Company will perform its standard factory quality assurance tests applicable to such products, and upon request by Purchaser, Sheboygan Paper Box Company will certify in writing that the products have satisfied the requirements of such tests. Such certification will be in accordance with Sheboygan Paper Box Company's standard quality assurance procedures. Purchaser will be deemed to have accepted the products upon satisfactory testing, and title thereto will pass to Purchaser at the time of delivery as specified below.
5. **CHANGES/ERRORS:** No changes of these terms shall be binding without the written consent of all parties. Clerical or electronic transmission errors are subject to correction.
6. **DELIVERY:** Unless otherwise specified, Sheboygan Paper Box Company will deliver all products to Purchaser F.O.B. Sheboygan, Wisconsin. Sheboygan Paper Box Company reserves the right to make partial deliveries and to ship products as they become available if delivery terms are F.O.B. Destination. The maximum number of partial deliveries is limited to the specifications or terms, if any. Delivery dates are best estimates and will be determined based on the date(s) that Sheboygan Paper Box Company has received all information necessary to permit it to proceed with work immediately and without interruption (e.g., signed size and style approval, signed graphic proof approval, confirmed purchase orders, release information, etc.). In the event Purchaser requests expedited delivery, Sheboygan Paper Box Company reserves the right to add rush charges to the originally agreed-upon pricing.

Shipping dates submitted are approximate. Sheboygan Paper Box Company will use its best efforts to meet requested shipping dates, provided the Purchaser supplies all necessary information, but Sheboygan Paper Box Company shall not be held responsible for failure to do so. Shipping dates are based upon construction to Sheboygan Paper Box Company's normal standards (unless otherwise specified herein) and are further dependent upon vendors' and subcontractors' raw material availability and delivery commitments. Any delays due to Department of Defense priorities, shortages of labor and/or materials, may change the shipment date herein set forth. Sheboygan Paper Box Company shall be subject to no penalty or liability for failure to meet a shipping date and shall not in any event be held responsible for loss or profits, damages incurred by the Purchaser, its customers, or other consequential damages that may result therefrom.
7. **DAMAGE OR LOSS IN SHIPMENT:** Sheboygan Paper Box Company shall not be responsible for damage or loss in transit and all claims must be made by the Purchaser direct to the carrier. Claims for shortages or incorrect items of sale must be made in writing within fifteen (15) days after receipt of the shipment by the Purchaser, and failure to give Sheboygan Paper Box Company written notice within that period shall be unqualified acceptance of the item of sale and a waiver of all claims.
8. **WARRANTY:** Sheboygan Paper Box Company warrants that the items of sale will be constructed in accordance with Sheboygan Paper Box Company's normal methods of manufacture and to any specifications agreed upon by Sheboygan Paper Box Company in the Order Acknowledgement. Sheboygan Paper Box Company shall not be liable for any losses, costs, forfeitures and/or any other consequential damages (including loss of profits, liabilities of Purchaser to its customers or third persons) whether direct or indirect, resulting from the design of the product, and whether or not resulting from or contributed to by the default or the negligence of Sheboygan Paper Box Company, its agents, employees and subcontractors, which might be claimed as a result of the use or failure of the item of sale. As to any warranties expressly made herein, any claim by Purchaser on account of breach of warranty shall be deemed waived conclusively unless written notice thereof is given within 10 days of Purchaser's receipt of the products and before user authorization thereof. This warranty shall not apply to any products that have been damaged in any way after shipment from Sheboygan Paper Box Company's plant. Sheboygan Paper Box Company shall have the right to either replace or repair any defective products, to refund the purchase price, to credit Purchaser therewith, or with Purchaser's concurrence, grant a reasonable allowance on account of such defectives; AND SHEBOYGAN PAPER BOX'S LIABILITY AND PURCHASER'S EXCLUSIVE REMEDY FOR DEFECTIVE PRODUCTS SHALL BE LIMITED TO REPLACEMENT, REPAIR, CREDIT OR ALLOWANCE AS SHEBOYGAN PAPER BOX MAY ELECT AND SHEBOYGAN PAPER BOX SHALL NOT BE LIABLE FOR ANY OTHER LOSS OR DAMAGES, CONSEQUENTIAL, SPECIAL OR OTHERWISE, OCCASIONED BY DEFECTS OR DEFICIENCIES IN THE PRODUCTS OR FOR ANY OTHER CAUSE WHATSOEVER. Sheboygan Paper Box Company shall be given reasonable opportunity to investigate all claims and no product shall be returned to Sheboygan Paper Box Company until receipt by Purchaser of shipping instructions from Sheboygan Paper Box Company. Sheboygan Paper Box Company warrants that products manufactured by Sheboygan Paper Box Company, when properly used and maintained, will be free from defects in material and workmanship. Products may be returned by Purchaser only after a written Returned Goods Authorization has been obtained from Sheboygan Paper Box Company, and Purchaser will prepay all freight charges to return any products to Sheboygan Paper Box Company's factory, or any other repair facility designated by Sheboygan Paper Box Company. Sheboygan Paper Box Company will deliver replacements for defective products to Purchaser, freight prepaid, to the destination provided for in the original order. Products returned to Sheboygan Paper Box Company under this warranty will become the property of Sheboygan Paper Box Company until subsequently repaired or replaced and reshipped and reinvoiced. With respect to any product or part thereof not manufactured by Sheboygan Paper Box

Company, only the warranty, if any, given by the manufacturer thereof will apply. Sheboygan Paper Box Company's obligations under this warranty will not apply to any product which (1) is normally consumed in operation, or (2) has a normal life inherently shorter than the warranty period stated herein. No warranty is made with respect to (a) failures not reported to Sheboygan Paper Box Company within the warranty period; (b) failures or damage due to misapplication, abuse, improper use or abnormal conditions of temperature, moisture, dirt or corrosive matter; (c) failures due to use, either intentional or otherwise, above the rated capacities or in an otherwise improper manner; (d) any item of sale damaged without fault of Sheboygan Paper Box Company. Sheboygan Paper Box Company shall not be liable for any expense incurred by the Purchaser in an attempt to correct any allegedly defective item of sale.

THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER ORAL, WRITTEN, EXPRESS, IMPLIED OR STATUTORY. IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WILL NOT APPLY. SHEBOYGAN PAPER BOX'S WARRANTY OBLIGATIONS AND PURCHASER'S REMEDIES HEREUNDER ARE SOLELY AND EXCLUSIVELY AS STATED HEREIN.

9. **WAREHOUSING:** Unless otherwise agreed, Sheboygan Paper Box Company will warehouse goods manufactured for Purchaser for a period not to exceed 90 days from the start of manufacturing of said goods. If, upon the expiration of the warehousing term for any goods manufactured by Sheboygan Paper Box Company for the Purchaser, Sheboygan Paper Box Company has not received disposition terms from the Purchaser for such goods, Sheboygan Paper Box Company shall be entitled to invoice and dispose of any such goods in accordance with Wisconsin law or continue to warehouse at a reasonable and customary fee.
10. **CUTTING DIES/GRAPHICS/PRINTING PLATES:** Unless otherwise agreed, Purchaser is responsible to pay usage and maintenance charges to Sheboygan Paper Box Company for all costs incurred for the construction, usage, and maintenance of cutting dies, digital art preparation, and printing plates. Whether these charges are paid separately or are amortized in unit prices, at no time does the Purchaser own these tools of production; they remain the sole property of Sheboygan Paper Box Company. Originally supplied customer graphics will be archived and returned for a reasonable and customary fee upon written request.
11. **PATENT INDEMNITY:** Purchaser undertakes and agrees to indemnify and hold Sheboygan Paper Box Company harmless from any and all liability whatsoever, and any and all loss or damage whatsoever Sheboygan Paper Box Company may suffer as a result of any claims, demands, costs or judgments against it arising out of the purchase and sale of items manufactured by Sheboygan Paper Box Company and sold to Purchaser consistent with Purchaser's plans and specifications. Purchaser agrees to defend against any claims brought or actions filed against Sheboygan Paper Box Company with respect to the subject of this indemnity and this indemnity shall include any claims based on patent infringements. In case a claim should be brought or an action filed with respect to items manufactured by Sheboygan Paper Box Company for Purchaser, then and in that event Purchaser agrees that Sheboygan Paper Box Company may employ attorneys of its own selection to appear for and/or defend the claim or action on behalf of Sheboygan Paper Box Company at the expense of Purchaser. Sheboygan Paper Box Company, at its option, shall have the sole authority for the direction of the defense, and shall be the sole judge of the acceptability of any compromise or settlement of any claims or actions against Sheboygan Paper Box Company. Purchaser agrees to reimburse Sheboygan Paper Box Company for any necessary expenses, attorneys' fees or costs incurred in the enforcement of any part of this indemnity within ten (10) days after receiving written notice that Sheboygan Paper Box Company has incurred such expense. Purchaser agrees to pay Sheboygan Paper Box Company interest at the rate of twelve (12%) percent per annum in the amount of any loss indemnified against from the date of the loss until such amount, plus interest, is paid. Purchaser further agrees to pay Sheboygan Paper Box Company interest at the same rate on any sums Sheboygan Paper Box Company is obligated to pay in the enforcement of this indemnity.
12. **TAXES:** Any taxes, including but not limited to turnover taxes, duties, fees, or other specific assessments which may be levied against the item of sale shall be extra and borne by Purchaser. If Sheboygan Paper Box Company is required to pay any of the above, Purchaser shall reimburse Sheboygan Paper Box Company upon notice, or furnish documents with the order which exempts such payment.
13. **LIABILITY:** The Purchaser agrees to pay in behalf of Sheboygan Paper Box Company all sums which Sheboygan Paper Box Company becomes legally obligated to pay because of bodily injury or property damage caused by or resulting from the use or misuse of any item of sale, including reasonable attorneys' fees and legal expenses. Purchaser agrees to indemnify and hold Sheboygan Paper Box Company harmless from all actions, claims, or demands by any person, firm or corporation arising out of or in any way connected with any item of sale, its operation, use or misuse, including all such actions, claims or demands based in whole or in part on the default or negligence of Sheboygan Paper Box Company.
14. **DEFAULT BY PURCHASER:** If Purchaser defaults with regard to any of its obligations, then Sheboygan Paper Box Company shall be entitled to collect from Purchaser and Purchaser agrees to pay to Sheboygan Paper Box Company its actual, reasonable attorneys' fees, costs, and disbursements incurred in enforcing these Terms and Conditions of Sale, including, but not limited to, the obligation to pay any amount when due.
15. **FORCE MAJEURE:** Whenever performance by Sheboygan Paper Box Company of any of its obligations, other than the obligations to make payment due hereunder, is substantially prevented by reason of any act of God, strike, lock-out or other industrial or transportation disturbance, fire, lack of materials, law, regulation or ordinance, war or war conditions, or by reason of any other matter beyond the control of Sheboygan Paper Box Company, then such performance shall be excused and this Agreement shall be deemed suspended during the continuance of such prevention and for a reasonable time thereafter, or, at the option of Sheboygan Paper Box Company, Sheboygan Paper Box Company shall have the right to allocate on any basis and in such amounts and such manner as it shall in its discretion deem fair and appropriate to Sheboygan Paper Box Company under the given circumstances any and all of its available quantity the Product among its various customers, including Representative.
16. **LAW:** The rights and duties of all persons and the construction and effects of all provisions hereof shall be governed by and construed according to the laws of Wisconsin. Venue for dispute resolution, including litigation, shall be Sheboygan County, Wisconsin.
17. **REMEDIES:** The remedies provided herein will be cumulative and in addition to any other remedies provided by law or equity. A waiver of a breach of any provision hereof will not constitute a waiver of any other breach hereof.
18. **OVER RUN/UNDER RUN TERMS:** Individual items of greater than 20 thousand units will have an over run/under run tolerance of 5%, otherwise the over run/under run tolerance will be 25%.
19. **ENTIRE AGREEMENT:** These Conditions of Sale supersede all prior discussions and writings and constitute the entire agreement between Purchaser and Sheboygan Paper Box Company with respect to the terms and conditions governing all orders. No waiver or modification of these Conditions will be binding upon Sheboygan Paper Box Company unless made in writing and signed by a duly authorized representative of Sheboygan Paper Box Company.