



January 1, 2007- Terms and Conditions

Revised March 21, 2012 to reflect change in warranty provision as specified in Lakeside Purchase Order

These terms and conditions (Agreement) are entered into by and between Lakeside Plastics Limited (Lakeside) and the seller of the goods for which Lakeside has issued a purchase order (Seller). Upon acceptance of Lakeside's purchase order Seller shall be bound by the provisions of this Agreement. This Agreement incorporates all of the terms and conditions set out on the face of the purchase order. Seller is bound by this Agreement regardless of whether he has signed a written acknowledgement of this Agreement. The only method in which the terms of this Agreement may be changed is by a written agreement between Lakeside and Seller which identifies by paragraph number the term to be changed. Seller's proposed changes to this Agreement and/or any counter offers, are expressly rejected, unless physically signed by Lakeside.

Lakeside has disclosed to Seller the purposes for which the goods will be used. Lakeside is relying on Seller to furnish and deliver these goods, and that they shall be suitable for the purposes disclosed to Seller.

2. Delivery

Time is of the essence. Seller shall deliver the Goods to the place, according to the schedule and using the delivery method set out on the purchase order. If no schedule is set out, Seller shall fill the order promptly. If no delivery method is set out, Seller shall use the least expensive carrier. If Seller fails to deliver the Goods within the time set out on the purchase order, Lakeside may, at its option, decline to accept the goods and terminate the Agreement. Seller shall package all items in suitable packaging to permit safe shipping, handling and delivery. All packaging must identify that it originated from the Seller.

3. Origin of Goods

Seller will provide a valid NAFTA certificate of origin for goods and will cooperate with customs if additional origin information is requested. Seller will reimburse Lakeside or its broker for any cost associated with an invalid NAFTA certificate of origin, including additional legal fees incurred, duties paid and applicable interest and penalties.

4. Termination

Lakeside may terminate this Agreement, on written notice to Seller, if Seller fails to perform or otherwise breaches this Agreement, files a petition in bankruptcy, becomes insolvent, or dissolves. In the event of such termination, Lakeside shall pay Seller for the portion of conforming goods actually delivered as per the purchase order, less any costs incurred, or to be incurred, by Lakeside as a result of Seller's failure to perform. Conforming goods are those goods on firm release and of acceptable quality. The goods must be in full car sets and balanced for colour, L/R or F/R whichever is appropriate.

5. Risk of Loss and Damage

Seller assumes all risk of loss and damage until receipt by Lakeside. Title to the goods shall pass to Lakeside upon receipt by it of the goods at the designated destination, undamaged, in good working order, and acknowledgment of that receipt by Lakeside with the carrier. Should Seller choose not to require the carrier to procure Lakeside's receipt, risk of loss and title shall pass to Lakeside when the goods are under Lakeside's control and are in a secure facility controlled by Lakeside, and have been inspected and verified by Lakeside to be undamaged

and in good working order. Destruction or damage of the goods entitles Lakeside to terminate this Agreement and the purchase order without notice.

6. Payment

As full consideration for delivery of the goods, and assignment of rights to Lakeside as set out in this Agreement, Lakeside shall pay Seller the amount set out on the face of the purchase order. This amount shall be paid according to the terms set out on the purchase order. Should the purchase order not contain payment terms, payment shall be made within 60 days of the date on which title passes to Lakeside. Payment shall be made upon Lakeside's mailing of payment. Lakeside shall only pay Seller the amount set out on the purchase order. Taxes, assessments, duties, shipping costs, tariffs and other similar items must be set out on the purchase order or they will not be paid.

7. Interest, Set offs, and Security Interests

Under no circumstances shall Lakeside be required to pay interest, surcharges or other assessments imposed by Seller, or passed through by him. Lakeside shall have the right to set off amounts owed to Lakeside by Seller against amounts Lakeside owes Seller. Seller shall not attempt to create a security interest in the goods. Any attempt by Seller to do so is rejected by Lakeside.

8. Warranties

Seller shall furnish to Lakeside Seller's standard warranty and service guaranty applicable to the goods, unless otherwise stated in the Purchase Order. These warranties and guaranties shall run from Lakeside to its customers. These shall be in addition to any warranties and guaranties set out on the purchase order. Further, Seller warrants, unless otherwise set out on the purchase order: that Seller has sole and exclusive title to the goods, and that such title is transferable; that all goods provided will be new and will not be used or refurbished; and that all goods shall be free from defects in materials and workmanship and shall conform to all specifications applicable to Seller's industry for a period of 24 months from the date of Lakeside's receipt; or for the warranty as specified in Lakeside's Purchase Order; or for the period provided in Seller's standard warranty, whichever is greater. Warranties shall be considered together, and shall not be considered to be exclusive. Seller shall pay, or reimburse, Lakeside for all shipping costs associated with a warranty claim.

9. Limitation of Liability and Indemnity

Lakeside rejects any attempt by Seller to limit its liability by disclaiming any theory or grounds for that liability. Lakeside's liability to Seller, for any reason, is limited to the total amount set out on the purchase order, or \$25,000, whichever is less. All claims brought by, or through Seller, against Lakeside, must be made within 1 year of delivery. Lakeside retains, and may assert any and all rights and claims available to it at any time, consistent with the statute of limitations of the law governing this Agreement.

Seller shall indemnify and hold Lakeside, its customers, and their respective owners, shareholders, directors, officers employees and agents, harmless from, and at its own expense agrees to defend, or at its option to settle, any claim, suit or proceeding brought or threatened against Lakeside of any nature arising out of, or relating to, in whole or in part, the goods covered by this Agreement. Lakeside shall have the right to participate in the defense of the claim at Lakeside's expense. However, regardless of Lakeside's participation, Seller shall make no admission or settlement that adversely affects Lakeside's interests. Only if Lakeside furnishes specifications to Seller, and Seller expressly informs Lakeside that satisfying those specifications will infringe another entity's intellectual property interest, shall any claim be excluded from this indemnity.

10. Scientific Research and Experimental Development

Lakeside retains the right to own and designate transfer of technology for Scientific Research and Experimental Development purposes that originates or passes through Lakeside to any

and all vendors or sub-contractors hereby supplying materials and/or performing services relating to Scientific Research and Experimental Development on Lakeside's behalf.

11. Remedies, Choice of Law and Jurisdiction

If Seller breaches this Agreement, Lakeside shall have all remedies available by law and at equity. Seller's sole remedy in the event of breach of this Agreement by Lakeside shall be the total amount set out in the purchase order, or \$25,000, whichever is less.

This Agreement shall be interpreted and the rights and liabilities of the parties hereto shall be determined in accordance with the laws and decisions of the Province of Ontario. Seller hereby consents to the jurisdiction of the courts of or in the Province of Ontario.

12. Severability

If any provision of this Agreement is deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired as a result.

13. Agreement not Exclusive

Both Lakeside and Seller are free to do business, either purchasing goods, on the one hand, or selling goods, on the other, with any other entity.

14. Entire Agreement

This Agreement, along with the purchase order, represents the entire agreement between the parties. If Lakeside and Seller have entered into another written agreement that has been signed by both, the terms of that agreement shall supersede this Agreement to the extent that specific provisions conflict. To the extent that the agreements do not conflict, they shall be read together.

15. Survival

Any obligations and duties, which by their nature would extend beyond the expiration or termination of this Agreement shall survive it.