

Sonoco Canada Corporation

General Terms and Conditions of Purchase

UNLESS OTHERWISE PROVIDED BY SEPARATE WRITTEN CONTRACT DULY SIGNED BY SONOCO CANADA CORPORATION OR ITS APPLICABLE SUBSIDIARY OR AFFILIATE ("BUYER"), A PURCHASE ORDER ISSUED BY BUYER (AN "ORDER") MAY BE ACCEPTED ONLY UPON THE TERMS AND CONDITIONS SPECIFIED BELOW. SHIPMENT OF GOODS OR COMMENCEMENT OF SERVICES DESCRIBED HEREIN SHALL BE DEEMED TO BE AN ACCEPTANCE BY SELLER OF SUCH TERMS AND CONDITIONS. ANY ADDITIONAL OR DIFFERENT TERMS AND CONDITIONS IN SELLER'S ACKNOWLEDGMENT OR OTHER RESPONSE HERETO SHALL BE DEEMED OBJECTED TO AND REJECTED BY BUYER AND SHALL BE OF NO EFFECT.

1. **PRICE**

If any price is higher than specified on the face of the Order, do not ship goods or commence services without specific authorization. If price is omitted, it is agreed that the goods or services shall be billed at the price last quoted or paid, or the prevailing market price at time of delivery, whichever is lower, unless otherwise specified.
2. **INVOICES**

Each invoice must bear Buyer's Order number and coding, if any, and must be mailed not later than the day following shipment and be accompanied by a bill of lading if shipment is made by common carrier. A separate invoice must be rendered for each lot of goods or services shipped or delivered to Buyer on account of the Order. Goods received and not covered by an invoice will be held at Seller's risk and expense.
3. **TRANSFER TAXES**

All invoices must show Seller's federal goods and services/harmonized sales tax ("GST/HST") registration number, as well as Seller's Quebec sales tax ("QST") registration number (for purchases within Quebec) or applicable provincial sales tax ("PST") vendor permit number (for purchases within British Columbia, Manitoba, Saskatchewan, Ontario or Prince Edward Island).
4. **PAYMENT TERMS**

The payment terms or cash discount period available to Buyer shall commence on the date of receipt of the goods or performance of services or on the date of receipt of the invoice, whichever is later.

At Buyer's option, Seller agrees to accept payment from Buyer in the form of a purchasing card ("P-Card"). Seller agrees to strictly comply with any and all requirements in the purchasing card supplier enablement process in order to allow Buyer to properly pay Seller with the P-Card in exchange for Seller's satisfactory performance under an Order, including but not limited to any requirements for Seller to provide the Order number and sales tax, if applicable, on all charge transactions. Seller will be responsible for any costs or delays in payment due to Seller's failure to strictly comply with these requirements. Seller also agrees to comply with all rules established by the P-Card supplier, including without limitation any rule requiring payment by Seller of any charges or fees for the processing, issuance, or use of the P-Card.
5. **QUANTITY**

Goods or services of a quantity greater than that ordered will not be deemed accepted unless authorized in writing by Buyer, nor shall Buyer's acceptance of a lesser quantity relieve Seller of its obligation to deliver the balance of the goods or perform the balance of the services ordered.
6. **SUPPLIER NETWORK**

Seller acknowledges that Buyer is a member of the Ariba Supplier Network operated by Ariba, Inc. (the "Network") and that Buyer utilizes the Network for purposes of transmitting Orders to its suppliers. At Buyer's request, Seller agrees to join the Network and register as a supplier in accordance with the procedures, terms and conditions of the Network, and Seller further agrees to continually maintain said Network membership throughout the term of any Order. If at any time Buyer chooses to utilize a different supplier network instead of the Network for purposes of transmitting Orders to Seller, Seller agrees, upon request by Buyer, to register with and become a member of such different supplier network selected by Buyer in order to continue accepting Buyer's Orders.
7. **FAILURE TO DELIVER**

Time is of the essence in any Order and Seller shall deliver the goods or perform the services strictly in accordance with the delivery requirements and deadlines set forth in the Order. If Seller fails to deliver or perform as and when specified, Buyer reserves the right to cancel the Order or any part thereof without prejudice to its other rights, and Seller agrees that Buyer may return for full credit part or all of any shipment so made or, if applicable, services so provided.
8. **INSPECTION AND ACCEPTANCE**

Buyer shall have the right but not the obligation to inspect all goods and services. If any goods or services are defective or otherwise not in conformity with the requirements of the Order, Buyer will notify Seller accordingly and shall have, in addition to the remedies described elsewhere herein or allowable under applicable law, the right to: (a) reject the non-conforming or defective goods or services without obligation or liability and direct Seller, at Seller's sole risk and expense, to properly dispose of such goods or services, as applicable, in accordance with industry standards and all applicable laws, rules and regulations, and to return any of Buyer's affected equipment to its proper condition; and (b) upon notification to Seller, obtain replacement goods or services from another vendor and recover from Seller the difference between the purchase price and the price paid by Buyer for such replacement goods or services, plus Buyer's reasonable expenses related to such replacement.
9. **WARRANTY**

Seller warrants that: (a) ALL GOODS SHALL CONFORM TO THE SPECIFICATIONS, SAMPLES OR OTHER DESCRIPTIONS AND REQUIREMENTS SET FORTH, DESCRIBED OR REFERRED TO IN THE ORDER AND WILL BE FREE FROM DEFECTS IN DESIGN, MATERIAL AND WORKMANSHIP; (b) ALL GOODS SHALL BE MERCHANTABLE AND FIT FOR THE BUYER'S PURPOSE; (c) THE MANUFACTURE, PACKAGING, LABELING AND TRANSPORTATION OF THE GOODS COMPLIES WITH ANY AND ALL APPLICABLE FEDERAL, PROVINCIAL, AND LOCAL LAWS, RULES, REGULATIONS AND ORDINANCES; (d) SELLER SHALL HAVE AND CONVEY TO BUYER GOOD TITLE TO THE GOODS AND SERVICES, FREE FROM ALL LIENS, ENCUMBRANCES AND CLAIMS OF THIRD PARTIES; (e) ALL SERVICES SHALL CONFORM TO THE DESCRIPTIONS AND REQUIREMENTS SET FORTH, DESCRIBED OR REFERRED TO IN THE ORDER AND SHALL BE PERFORMED TO THE FULL SATISFACTION OF BUYER; (f) ALL SERVICES SHALL BE PERFORMED IN A TIMELY AND WORKMANLIKE MANNER AND IN ACCORDANCE WITH INDUSTRY STANDARDS; (g) THE PERFORMANCE OF THE SERVICES COMPLIES WITH ANY AND ALL APPLICABLE FEDERAL, PROVINCIAL, AND LOCAL LAWS, RULES, REGULATIONS AND ORDINANCES; AND (h) SELLER HAS NO PRIOR AGREEMENTS WITH OR OBLIGATIONS TO OTHERS THAT MIGHT CONFLICT WITH ITS OBLIGATIONS UNDER THIS AGREEMENT.
10. **INFRINGEMENT**

Seller represents to Buyer that the goods and services supplied hereunder do not and shall not infringe upon any existing or pending patents, copyrights, trademarks, trade secrets or other proprietary rights of third parties. Seller shall defend at Seller's sole cost and expense any suit or other proceeding for infringement or misappropriation of any patent, copyright, trademark, trade secret or other proprietary right brought against Buyer or Buyer's successors or assigns based upon use or sale of the goods or services, as applicable, in violation of any third party's rights; provided, however, that this provision shall not extend to infringement resulting solely from Seller's compliance with Buyer's specific designs, processes or specifications.
11. **INDEMNIFICATION**

Seller shall protect, defend, indemnify and hold harmless Buyer and its agents, employees and related companies from any and all losses, costs, expenses (including attorney's fees and court costs), claims (including claims of Seller's employees), damages, demands, liabilities, suits, actions, recoveries and judgments of every nature and description (collectively, "Losses"), arising out of the breach of this Order, negligence or misconduct of Seller. As to any claim made by Buyer hereunder, Seller expressly waives any immunity from suit with respect to injuries to Seller's employees which may extend to Seller as a result of any payments made by Seller to such employees or under any applicable workers' compensation statute or similar law or judicial decision.
12. **INSURANCE**

Seller shall provide Commercial General Liability Insurance covering claims for bodily injury, death, and property damage, including Premises and Operations, Products and Completed Operations, Independent contractors, Personal injury, Blanket Contractual and broad form Property Damage Liability, with a combined single limit of \$2,000,000 per occurrence and \$5,000,000 in the aggregate. The Products and Completed Operations coverage should continue in full force and effect for three (3) years following completion, expiration or termination of this Contract.
13. **CONFIDENTIAL AND PROPRIETARY INFORMATION AND RIGHTS**

Seller shall not at any time, either prior to or after the termination of the Order, without Buyer's express written permission, make use of (except for Buyer's direct benefit as authorized herein), disclose or allow to be disclosed to others any confidential information or trade secret regarding Buyer's products, business, customers, processes, techniques or operations learned by Seller incidental to its performance hereunder. All specifications, documents, drawings and other data delivered by Buyer to Seller in connection with the Order shall be subject to this confidentiality obligation. Seller's confidentiality obligation will not extend to information that is generally published or lawfully available from other sources or that was known to Seller prior to disclosure thereof by Buyer.
14. **SHIPPING INSTRUCTIONS**

Seller agrees to route all shipments as per any routing or ship-to instructions on face hereof, or as requested by Buyer. If specific routing or ship-to instructions are indicated and not complied with, all extra shipping costs and other costs of Buyer resulting therefrom, including, without limitation, costs of reshipment to correct locations, will be paid by Seller. Pallets and/or crates must be treated and stamped in accordance with the ISPM 15 standard.
15. **EXTRA SHIPPING CHARGES**

No charges will be allowed for drayage, boxing, storage or packing unless agreed upon by Buyer.

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16. COMPLIANCE WITH LAWS

Seller represents, warrants and certifies that it, and any goods manufactured or sold or services rendered in connection with the Order, are and will at all times be in compliance with all applicable federal, provincial, local and other laws, regulations, rules and orders. Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage or expense (including legal fees) which Buyer may incur as a result of Seller's violation of any applicable laws, regulations, rules or orders.

17. OCCUPATIONAL SAFETY AND HEALTH

Seller agrees to comply, and to require its employees and agents to comply, with the provisions of applicable health and safety legislation, and the standards and regulations issued thereunder, and warrants that all goods and/or services furnished under the Order will conform to and comply with said standards and regulations. Prior to the delivery of goods or services, Seller shall furnish to Buyer Material Safety Data Sheets ("MSDS") in the format and with the information required by applicable health and safety legislation and the standards and regulations issued thereunder for the goods or services. Such MSDS shall contain all information reasonably necessary to enable Buyer to comply with any laws applicable to hazardous materials. Further, Seller agrees that at any time Seller's employees or agents are performing services in Buyer's facilities or in proximity to Buyer's employees, Seller shall require its employees or agents to comply with all safety rules and regulations promulgated by Buyer.

18. TOXIC SUBSTANCES CONTROL

Seller expressly represents and warrants that each and every chemical, chemical substance, and in the case of mixtures, every chemical substance ingredient, sold or otherwise furnished hereunder is, at the time of such sale and delivery to Buyer, in compliance with the requirements of the Toxic Substances Management Process, administered by Environment Canada pursuant to the provisions of the *Canadian Environmental Protection Act, 1999*, as amended, and is otherwise manufactured, sold, furnished and/or delivered in compliance with all applicable provisions of said Act. Seller expressly represents and warrants that the products and/or goods sold or otherwise furnished hereunder are not and/or do not contain chemicals or other substances whose use of any kind, or presence in consumer goods has been banned, or whose use has been restricted or limited in any manner without such restriction or limitation being clearly identified with respect to each such chemical or other substance and the components thereof on the labeling of each said product or goods.

19. ENVIRONMENTAL LAWS

In its performance of the Contract, Seller shall comply with all applicable environmental laws and will provide Buyer promptly with copies of all notices of violation, information requests and warning letters issued by any provincial or federal environmental, health or safety agency in connection with the goods or services supplied hereunder, or with any facilities related to such goods or services.

20. ENVIRONMENTAL RESPONSIBILITY

Seller shall comply with, and shall cause its employees and agents to comply with, Buyer's environmental policy found on Buyer's website at http://www.sonoco.com/sonoco/Home/Sustainability/cor_environmental_policy.htm

21. SUPPLIER STANDARDS

Seller shall comply with, and shall cause its employees and agents to comply with, Buyer's supplier standards found on Buyer's website at http://www.sonoco.com/supplier_standards

22. CHOICE OF LAW AND FORUM

The agreement reflected by Buyer's Order and the acceptance thereof shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada, and the federal laws applicable therein, without regard to the laws of such jurisdiction concerning conflicts of law. This Order will not be covered by or construed in accordance with the terms of the United Nations Convention on Contracts for the International Sale of Goods.

23. TERMINATION FOR CONVENIENCE OF BUYER

Buyer reserves the right to terminate the Order or any part of it for Buyer's sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder and shall immediately cause any of its suppliers or subcontractors to cease such work. Buyer's liability to Seller with respect to such terminated work shall be limited to: (1) Seller's purchase price of all components for both goods and services, if applicable, not usable in Seller's or Seller's subcontractor's other operations or marketable to Seller's other customers, plus (2) the actual costs incurred by Seller in procuring and manufacturing material not usable in Seller's or Seller's subcontractor's other operations. Seller shall not be paid for any work done after receipt of notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided, nor shall Buyer be liable for any loss of profits on the Order or portion thereof so terminated or suspended, nor for any consequential or incidental loss or damage, nor for any suspension delay, termination or cancellation charges. Seller shall not unreasonably anticipate the requirements of the Order.

24. TERMINATION FOR CAUSE

Buyer may terminate the Order or any part of it upon written notice to Seller in the event of any default by Seller, or if Seller fails to comply with any of the terms and conditions of the Order and Seller does not cure such default or failure within thirty (30) days of receipt of written notice from Buyer; provided, however, that Buyer shall not be obligated to send an addition written notice or provide an additional cure period in the event that Seller's breach is recurring. Late deliveries or performance, deliveries of products which are defective or which do not conform in any respect to the requirements stated in the Order, or failure to provide Buyer, upon request, with adequate assurances of future performance, or in the event that Seller become insolvent or there is filed by or against Seller a petition in bankruptcy, reorganization or other insolvency proceeding, shall all be causes permitting Buyer to terminate the Order for cause. In the event of termination for cause, Buyer shall not be liable to Seller for any amount, with the exception of finished goods or services meeting the requirements of the Order, and Seller shall be liable to Buyer for any and all damages sustained by reason of the default, which gave rise to the termination. If it should be determined that Buyer has improperly terminated the Order for cause, such termination shall be deemed a termination for the convenience of Buyer.

Seller may terminate this Order or any part of it upon written notice to Buyer in the event of Buyer's failure to pay any amounts due under this Order, which failure is not cured within thirty (30) days from the receipt of Seller's written notice.

25. CHANGES

Notwithstanding anything to the contrary contained in documents provided by Seller to Buyer, Buyer may make changes in the scope of the Order at any time, and in the method of shipping or packaging and place or time of delivery. Any change shall be communicated to Seller in writing. If the specification of the material or scope of the service changes, Buyer will notify Seller of such changes in writing. Likewise, if any change affects the Purchase Price or delivery schedule for the goods or services, an equitable adjustment to the affected purchase price or delivery schedule shall be made if Seller makes a written claim for such adjustment within seven (7) days from the date Buyer notifies Seller of the change and Buyer agrees in writing to said adjustment. However, nothing in this paragraph shall excuse Seller from proceeding with the Order as changed.

26. ASSIGNMENT AND SUBCONTRACTING

Seller shall not delegate any duties or liabilities nor assign any rights or claims under the Order without the prior written consent of Buyer. Any such attempted delegation or assignment shall be void. Except as provided in this Article, the terms set forth herein shall be binding upon and inure to the benefit of the assignees, successors and assigns of the parties, and Buyer may allow any of its subsidiaries or affiliates to participate in the Order. Notwithstanding the foregoing, Buyer may assign all or part of the Order to its parent, a wholly owned subsidiary or an affiliate.

27. WAIVER; MERGER; MODIFICATION

Failure by either party to require strict performance hereunder will not be deemed a waiver of that party's right to subsequently require strict performance. The Order, together with the terms hereof, constitutes the entire agreement of the parties, all prior and contemporaneous agreements being merged herein, and may not be modified except by written instrument executed by duly authorized officers of the party to be charged with such modification.

28. FORCE MAJEURE

If Seller is delayed in the delivery of the goods or the performance of the services due to any breach of the Order by Buyer, act of God, labor dispute or strike, war or civil disturbance, or any other cause beyond Seller's control and not due to Seller's fault or negligence which Seller could not reasonably anticipate and avoid, then the date of delivery or performance shall be extended for a period of time equal to the duration of the event of force majeure, not to exceed ten (10) days without approval of Buyer; provided, however, that no such extension shall be granted unless Seller gives written notice of delay to Buyer within three (3) days after Seller first has knowledge of the event causing such delay. Buyer shall have the right to cancel all or any part of delayed Orders or any pending delivery or performance, and purchase replacement goods or services from another supplier, if Seller is delayed for reasons set forth above.

If Buyer is unable to use or receive the goods or services due to any breach of the Order by Seller, act of God, labor dispute or strike, war or civil disturbance, or any other cause beyond Buyer's control and not due to Buyer's fault or negligence which Buyer could not reasonably anticipate and avoid, then Buyer may, at its option, (i) extend the date of delivery or performance for all affected Orders for a period of time equal to the duration of the event of force majeure, not to exceed ten (10) days without approval of Buyer, (ii) cancel all or part of affected Orders or pending delivery or performance, (iii) terminate the Order if the delay indicated under the paragraph above continues for more than thirty (30) days from the date of first occurrence or from any extended date as per clause (i) above. Buyer shall not be liable to Seller for any amount if Buyer terminates any Order(s) or pending delivery or performance or the Order pursuant to this Article, with the exception of accepted deliveries of goods or performed services.

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29. DIVERSITY ENVIRONMENT

Seller acknowledges that Buyer expects its suppliers to promote purchasing from, and the development of, socially diverse suppliers, to encourage diversity within their own organization, and to proactively promote diverse practices throughout their supply chain. Seller agrees to make commercially reasonable efforts to pursue these objectives and to cooperate reasonably with Buyer's efforts in this respect.

30. BUYER AFFILIATES

It is understood that purchases of goods or services, and sale and deliveries of goods and services may be by and to subsidiary or affiliate companies of Buyer. Purchase by the Buyer's subsidiaries or affiliates shall be subject to these terms and conditions and all advantages of these terms and conditions shall be extended to such subsidiaries and affiliates of Buyer.

31. OWNERSHIP OF INVENTIONS

Seller agrees that all inventions, discoveries, improvements, processes, products, devices, reports, plans, proposals and recommendations made, discovered or developed by Seller, solely or jointly with others or otherwise, during fulfillment of any Order and which may be directly or indirectly useful in, or relate to, the business of Buyer or its subsidiaries or affiliates, and the manufacture, production, sale, application or use of its or their products or services, are the sole and exclusive property of Buyer and shall be deemed "work made for hire," whether patentable, subject to registration or not and may be used by Buyer on other projects or on subsequent extensions or continuations. Seller further agrees to disclose fully to Buyer immediately upon origination or acquisition thereof, any and all such inventions, discoveries, improvements, processes, products, devices, reports, plans, proposals and recommendations so made, discovered or developed, during fulfillment of any Order.

Seller agrees to keep complete, accurate and authentic accounts, data and records of all inventions, etc. made, discovered or developed by Seller as aforesaid in the manner and form specified by Buyer, which accounts, notes, data and records shall be and will remain the sole and exclusive property of Buyer, and Seller agrees to surrender the same and all other papers and materials of Buyer promptly to Buyer upon request.

Seller agrees that at the request of Buyer at any time, or from time to time, during the term of or after the termination of any Order, to confirm, either orally or in writing, the ownership to Buyer of all such aforesaid inventions, discoveries, improvements, processes, products, devices, reports, plans, proposals and recommendations; and, when requested to also make application in due form for United States letters patent and foreign letters patent on said inventions, discoveries, improvements, processes, products or devices, and to formally assign to Buyer, or persons, firms or corporations designated by Buyer, all right, title and interest in and to said inventions, discoveries, improvements, processes, products, devices, reports, plans, proposals and recommendations and patent applications therefor or patents thereof, and to execute, at any and all times any and all proper instruments and do any and all lawful acts necessary, or which Buyer may deem desirable, in connection with any continuations, reexaminations, renewals or reissues thereof or in the conduct of any proceedings or litigation in regard thereto. All reasonable and documented expenses incurred by Seller by reason of Seller's performance of any of the aforesaid acts shall be borne by Buyer.

32. GENERAL RECORDS, AUDIT AND INSPECTION

Seller shall maintain and retain complete and accurate books and records relating to the costs, production, packaging, storage and shipment of any goods or services supplied hereunder. Seller shall also maintain and retain any other records required to be maintained or kept by any applicable governmental laws, rules, regulations and guidelines.

Upon reasonable notice and during normal business hours, Buyer, or its representatives, will have the right to inspect Seller's facilities and processes, and audit Seller's books, records, documents, reports and other materials related to Seller's performance hereunder or to Seller's current regulatory compliance status. Buyer's audit rights hereunder shall expressly include the right to examine Seller's internal and external costs for any materials, components, supplies, labor, services, or other costs related to any Order. If an audit indicates that Seller has not complied with the terms hereof, Seller will promptly reimburse Buyer for the costs of the audit and implement any reasonable corrective actions requested by Buyer. Buyer will also determine an appropriate credit or refund for any overcharges, which may be used as a set-off as determined by Buyer. All such records will be retained by Seller for a period of at least three years or longer if required by governmental laws, rules or regulations.

Seller will, upon request by Buyer, furnish Buyer with copies of Seller's audited financial statements and with copies of any books or records required to be maintained by Seller hereunder. If audited financial statements are not available, Seller shall furnish to Buyer any other information reasonably requested by Buyer regarding the financial condition of Seller.