



GENERAL TERMS AND CONDITIONS OF SALES

These General Terms and Conditions constitute a legally binding contract between HAZPACK (hereafter referred to as the "Company") and the "Customer". In the event the Company renders services and issues a document containing Terms and Conditions governing such services, the Terms and Conditions set forth in such other document(s) shall govern those services to the extent they are inconsistent with these General Terms and Conditions. When affiliates of the Company provide services to Customer, their standard trading terms and conditions will govern such services. By tendering items to the Company, the Customer expressly agrees that the following terms and conditions shall apply to all sales of goods and services (collectively, "Services") by the Company to Customer.

1. Definitions

- 1.1. "Company" shall mean HAZPACK, its subsidiaries, agents and/or representatives.
- 1.2. "Customer" shall mean the person or entity for which the Company is rendering service, as well as its agents and/or representatives. It is the responsibility of the Customer to provide notice and copy(s) of these terms and conditions of service to its agents or representatives;
- 1.3. "Documentation" shall mean all information received directly or indirectly from Customer, whether in paper or electronic form.
- 1.4. "Third parties" shall include, but not be limited to, the following:
 - a. "carriers, truckmen, cartmen, lightermen, forwarders, OTIs, customs brokers, agents, warehousemen and others to which the goods are entrusted for transportation, cartage, handling and/or delivery and/or storage or otherwise".
 - b. "Services" shall include all goods and services provided by the Company

2. Services

2.1. General

- a. All Products tendered for packaging and/or storage shall be delivered to the facility in a segregated manner, properly marked, individually identified by means of a part number, tag or other identifying mark, and packaged for handling. All deliveries will be made during normal business hours at Customer's cost and risk and Customer shall give the Company not less than forty-eight (48) hours prior notice of any delivery of Product for packaging and/or storage at the Warehouse. Customer will include a detailed packing list with each delivery of Products that will include part numbers, order numbers, quantities, number of boxes, skids, dimensions and weights. Products arriving with incomplete or inaccurate information or products that do not match Customer's purchase order will be placed on Overage Shortage and Damage report (OSD) and may be subject to additional charges. The Company agrees to notify the Customer, within seven (7) days of delivery, whenever the possibility of missing products exists. In the event the Company fails to notify Customer of any discrepancies, the packing list will be deemed to be correct for purposes of inventory reconciliation and determining responsibility for loss of Products. Customer represents and warrants that it is the lawful owner of the goods to be received by the Company.
- b. Customer represents and warrants that all hazardous materials provided to the Company have been prepared, labeled, shipped, packed and declared in accordance with the provisions of all applicable federal and state laws and regulations, as well as any other jurisdictional body having control over the labeling, packing or shipping of hazardous materials for transport from the supplier to the Company facility. Customer shall provide a current copy of the Material Safety Data Sheet (MSDS) with all hazardous materials. Additionally, Customer must notify and receive written permission from the Company specifically authorizing the shipment of any hazardous substances prior to shipping the same

to the Warehouse. In the event that the above conditions are not satisfied, Customer shall be fully liable for and shall indemnify and save harmless the Company against any and all loss, damage and expenses that the Company may sustain as a result of Customer's breach of the foregoing representations and warranties.

- c. In addition to the requirements of Paragraph 2.1(b), Customer shall notify the Company of any other characteristics of any of Customer's Products that may in any way be likely to be a hazard to other property, the Warehouse or persons. If, as a result of a quality or condition of the Products of which the Company had no notice at the time of delivery, the Products are a hazard to other property or to the Warehouse or to persons, the Company shall have the right to notify Customer and demand prompt removal of such Products from the Warehouse, and the Company shall not be obligated to perform any of the Services or any other obligations of the Company hereunder with respect to such Products. If, after providing such notice to Customer, such Products are not removed within two (2) business days, the Company may remove the Products from the Warehouse, at Customer's expense, and shall incur no liability by reason of such removal.
 - d. The Company will arrange for delivery of Products to such third parties or Customer and via such method of transportation as may be directed by Customer. Instructions to arrange for delivery of such Products to third parties shall not be effective unless such instructions are in writing, delivered to and accepted by the Company (which acceptance shall be provided not later than two (2) business days after receipt of such instructions). When Products are ordered by Customer to be delivered, a reasonable time, not to exceed forty-eight (48) hours after acceptance of such instructions, shall be given to the Company to arrange for such delivery (further subject to any applicable Time of Completion for packing services). The Company agrees, when feasible and upon reasonable notice, to provide emergency shipping services; provided, however, that Customer may incur additional charges in connection therewith. Customer is responsible for ensuring that insurance coverage acceptable to Customer is in place for products in transit. The Company shall have no responsibility for damage or loss to Products upon delivery to the carrier including, without limitation, any loss or damage of Products in transit. Customer shall be responsible for all transportation charges incurred in connection with the shipment of Products and if the Company is billed for any such transportation charges, Customer shall reimburse the Company for such charges.
- #### 2.2. Packing Services
- a. The Company shall provide the packing services set forth in any quote provided by the Company and accepted by Customer (each, a "Quote"). The packing services shall be performed by the Company in accordance with the specifications set forth in each such Quote and in all other respects in accordance with the general terms and conditions set forth herein.
 - b. Customer acknowledges and agrees that the average time to complete such packing services (which, for purposes of clarification, shall exclude any shipping or transit time, the "Time of Completion") shall be as set forth in the Quote or, if no Time of Completion is provided for in the Quote, such time as the Company may reasonably require for the packing services to be performed after receipt by the Company of all of the Products to be packed. Customer further acknowledges and agrees that the Time of Completion will vary by work load. The Company makes no representation or warranty as to its ability or commitment to provide the packing services within a shorter Time of Completion, unless the Company gives its prior written consent to a shorter Time of Completion.



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- c. Customer further acknowledges and agrees that to the extent the packing services include design or construction services,
 - i. Customer has had the opportunity to review the crates and packages and the design thereof and Customer warrants that such crates, packages and design thereof meet Customer's requirements and specifications; and the Company is not making any representations or warranties with respect thereto.
 - ii. Customer further acknowledges and agrees that Customer has had the opportunity to inspect the methods and materials used in packing and Customer warrants that such methods and materials meet Customer's requirements and specifications; and the Company is not making any representations or warranties with respect thereto.

2.3. Warehousing Services

The Company will store the goods of Customer delivered by Customer to a Company facility (the "Warehouse") and for which a Material Receipt has been issued (the "Products") in a neat and orderly manner. The Company shall exercise such due care in regard to such Products as a reasonably careful warehouse provider would exercise in like circumstances. The Company shall promptly notify Customer of any condition respecting the Warehouse that would prevent or otherwise limit the Company's performance of the Services.

3. Relationship of the Parties

Each party acknowledges and agrees that in performing the Services hereunder, the Company is acting as an independent contractor. Nothing contained herein shall be construed in such a manner as to create the relationship of principal and agent between the Company and the Customer or the relationship of employer/employee between the Customer and any individuals assigned by the Company to perform the Services, nor shall it be construed to find the Company a carrier, broker or third-party logistics provider.

4. Limitation of Actions

All claims against Company for a potential or actual loss must be made in writing and received by Company within ninety (90) days of the event giving rise to claim or within ninety (90) days of delivery to the destination, whichever is shorter; the failure to give Company timely notice shall be a complete defense to any suit or action commenced by Customer. Customer must make the original shipping packages and packing available for inspection by the Company. Additionally, photographs of the damaged items and the packaging material must be provided. A claim against Company excludes any right of offset by Customer for monies due to Company for Services provided.

5. No Liability for the Selection or Services of Third Parties and/or Routes

Unless services are performed by persons or firms engaged pursuant to express written instructions from the Customer, Company shall use reasonable care in its selection of third parties used for the handling, transportation, and delivery of the shipment. Unless the Company carries, stores or otherwise physically handles the shipment, and the loss, damage, expense or delay occurs during such activity, the Company assumes no liability as a carrier, and is not to be held responsible for any loss, damage, expense or delay to the shipment. Advice by the Company that a particular person or firm has been selected to render services with respect to the goods, shall not be construed to mean that the Company warrants or represents that such person or firm will render such services nor does Company assume responsibility or liability for any action(s) and/or inaction(s)

of such third parties and/or its agents, and shall not be liable for any delay or loss of any kind, which occurs while a shipment is in the custody or control of a third party or the agent of a third party; all claims in connection with the act of a third party shall be brought solely against such party and/or agents; in connection with any such claim, the Company shall reasonably cooperate with the Customer, which shall be liable for any charges or costs incurred by the Company.

6. Quotations Not Binding

Quotations as to fees, packing rates, freight charges, storage fees, insurance premiums or other charges given by the Company to the Customer are for informational purposes only and are subject to change without notice; no quotation shall be binding upon the Company unless the Company in writing agrees to undertake the handling or transportation of the shipment at a specific rate or amount set forth in the quotation and payment arrangements are agreed to between the Company and the Customer. All quotes are subject to verification of information provided by the Customer and inspection of the material upon receipt by the Company. Upon inspection an evaluation of the packing requirements in order to protect the material may result in additional charges not provided for in the original quote.

7. Reliance on Information Furnished

- a. Customer acknowledges that it is required to review all documents and declarations prepared by the Company and/or filed with regulatory entities, and will immediately advise the Company of any errors, discrepancies, incorrect statements, or omissions on any document or declaration prepared by the Company on Customer's behalf;
- b. In packing and preparing supporting documentation and/or export data to regulatory entities or third parties, the Company relies on the correctness of all documentation, whether in written or electronic format, and all information furnished by Customer and Customer's suppliers; Customer shall use reasonable care to ensure the correctness of all such information and shall indemnify and hold the Company harmless from any and all claims asserted and/or liability or losses suffered by reason of the Customer's failure to disclose information or any incorrect or false statement by the Customer upon which the Company reasonably relied. The Customer agrees that the Customer has an affirmative non-delegable duty to disclose any and all information required to properly pack / package, store, transport, import or export the goods.

8. Declaring Higher Value to Third Parties

Third parties to whom the goods are entrusted may limit liability for loss or damage; the Company will request excess valuation coverage only upon specific written instructions from the Customer, which must agree to pay any charges therefor; in the absence of written instructions or the refusal of the third party to agree to a higher declared value, at Company's discretion, the goods may be tendered to the third party, subject to the terms of the third party's limitations of liability and/or terms and conditions of service.

9. Insurance and Title

Unless requested to do so in writing and confirmed to Customer in writing, Company is under no obligation to procure insurance on Customer's behalf; in all cases, Customer shall pay all premiums and costs in connection with procuring requested insurance. Title to and ownership of and risk of loss for all goods delivered by Customer to the Company shall remain vested with Customer until such time as Customer transfers title and ownership to its end customers and at no time shall title or ownership or any risk of loss ever vest in the



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Company. Customer shall maintain at all times, at Customer's expense, a policy of property insurance against fire, theft, vandalism, malicious mischief, acts of God, and such other hazards as are from time to time included in a standard extended coverage endorsement insuring all Products of Customer located at the Company's facilities equal to the value of the Products stored and the Company has no obligation to maintain property insurance insuring such Products against such risk of loss while at the facility. Customer agrees to waive subrogation in favor of the Company as respects the Customer's property insurance policy. At any time upon request of the Company, Customer shall provide the Company with an insurance certificate as proof of the coverage required under this Paragraph.

10. Disclaimers; Limitation of Liability

- a. Except as specifically set forth herein, Company makes no express or implied warranties in connection with its Services;
- b. Subject to (c) below, Customer agrees that in connection with any and all services performed by the Company, the Company shall only be liable for its grossly negligent acts, which are the direct and proximate cause of any injury to Customer, including loss, delay or damage to Customer's goods, and the Company shall in no event be liable for the acts of third parties;
- c. In connection with all services performed by the Company, Customer may obtain additional liability coverage, up to the actual or declared value of the shipment or transaction, by requesting such coverage and agreeing to make payment therefor, which request must be confirmed in writing by the Company prior to rendering services for the covered transaction(s); In the absence of additional coverage under (c) above, the Company's liability for damages, including, without limitation, damage to products or other goods contained or to be contained in the packaging or crates provided by the company in connection with the packing services, shall be strictly limited to \$0.50 per pound or the value of the shipment lost, damaged or misdelivered, whichever is less, subject to the max liability of article 15(f).
- d. In no event shall Company be liable or responsible for any special, consequential, indirect, incidental, exemplary, statutory or punitive damages, including, without limitation, loss of revenue or loss of profits, nor shall the company bear any liability for the acts or negligence of any shippers, regardless of the form of action, whether in contract or in tort, regardless of cause and even if caused by the company's negligence, even if it has been put on notice of the possibility of such damages.

11. Unforeseen Events

The Company shall not be liable for any delay, failure of delivery, or other nonperformance attributable to any circumstances beyond its reasonable control, including, without limitation any nonperformance because of strikes, work stoppages, accidents, shut down or delay of suppliers, government orders, fires, explosions, weather or other acts of God, embargoes, inability to secure transportation facilities or contingencies arising out of national defense activities, war or emergency conditions. Upon the occurrence of an event under this paragraph, the Company shall use commercially reasonable efforts to fulfill outstanding Services without any additional costs, but if the occurrence of such event nevertheless increases the Company's cost of performance, the Company may increase the prices to Customer immediately upon delivery of written notice.

12. Advancing Money

All charges must be paid by Customer in advance unless the Company agrees in writing to extend credit to customer; the

granting of credit to a Customer in connection with a particular transaction shall not be considered a waiver of this provision by the Company.

13. Indemnification / Hold Harmless

The Customer agrees to indemnify, defend, and hold the Company harmless from any claims and/or liability arising from the importation or exportation of customers merchandise and/or any conduct of the Customer, which violates any Federal, State and/or other laws, and further agrees to indemnify and hold the Company harmless against any and all liability, loss, damages, costs, claims and/or expenses, including but not limited to reasonable attorney's fees, which the Company may hereafter incur, suffer or be required to pay by reason of such claims; in the event that any claim, suit or proceeding is brought against the Company, it shall give notice in writing to the Customer by mail at its address on file with the Company.

14. Costs of Collection

In any dispute involving monies owed to Company, the Company shall be entitled to all costs of collection, including reasonable attorney's fees and interest at 15% per annum or the highest rate allowed by law, whichever is less, unless a lower amount is agreed to by Company.

15. General Lien and Right to Sell Customer's Property

- a. General Lien. Company shall have a general and continuing lien on any and all property (and documents relating hereto) of Customer in its possession, custody, control, or enroute / in transit, or coming into Company's actual or constructive possession or control, for monies owed to Company with regard to the shipment on which the lien is claimed, a prior shipment(s) and/or both, including for all claims for charges, expenses, or advances incurred by the Company in connection with any shipments of the Customer.
- b. Notice. Company shall provide written notice to Customer of its intent to exercise such lien, the exact amount of monies due and owing, as well as any on-going storage or other charges. Customer shall notify all parties having an interest in its shipment(s) of Company's rights and/or the exercise of such lien.
- c. Right to Sell. Unless, within thirty days of receiving notice of lien, Customer posts cash or letter of credit at sight, or an acceptable bond equal to 110% of the value of the total amount due, in favor of Company, guaranteeing payment of the monies owed, plus all storage charges accrued or to be accrued, Company shall have the right to sell such shipment(s), including goods, wares, or merchandise as may be necessary to satisfy such lien, at public auction or private sale and any net proceeds remaining thereafter, after payment of amounts due Company, shall be refunded to Customer, provided that Customer shall remain liable for any deficiency arising from the sale.
- d. Warehouseman's Lien. In connection with warehouse services provided by Company, Company shall have a general warehouse lien for all lawful charges for storage and preservation of goods; also for all lawful claims for money advanced, interest, insurance, transportation, labor, weighing cooperating, and other charges and expenses in relation to such goods, and for the balance on any other accounts that may be due. Company further claims a general warehouse lien for all such charges, advances and expenses with respect to any other goods stored by Customer in any other facility owned or operated by Company. In order to protect its lien, Company reserves the right to require advance payment of all charges prior to shipment of goods.
- e. Limitation of Damages for Goods Stored. Company shall not be liable for any loss or damage to goods tendered, stored or handled,



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however caused unless such loss or damage resulted from the failure by Company to exercise such care in regard to them as a reasonably careful person would exercise under like circumstances and Company is not liable for damages which could not have been avoided by the exercise of such care. Customer declares that damages for loss, damage or delay are limited to \$0.50 per pound or the value of the shipment lost, damaged or misdelivered, whichever is less, subject to the max liability of article 15(f). However, such liability may be increased upon Customer requesting in writing such excess valuation coverage and agreeing to make payment therefor, which request must be confirmed in writing by the Company.

- f. Liability. Any liability of Company for whatever reason shall in any event be limited to a maximum of \$1,000.00 per event or series of events with one and the same cause of damage.

16. No Duty To Maintain Records For Customer

Unless otherwise agreed to in writing, the Company shall only keep such records that it is required to maintain by Statute(s) and/or Regulation(s), but not act as "recordkeeper" or "recordkeeping agent" for Customer.

17. No Modification or Amendment Unless Written

These Terms and Conditions cannot be modified except in writing, signed by an authorized representative of Customer and an officer (i.e. CEO, President or CFO) of the Company. No agent, employee or representative of the Company other than an officer (CEO, President or CFO) of the Company may alter, amend or modify any term, provision or condition of these terms and conditions and any such waiver, alteration, amendment or modification must be in writing. Unless otherwise provided herein, any terms or conditions contained in any Quote, purchase orders, confirmations, acknowledgments, shipping orders or documents issued by Customer in connection with the provision of goods or services by the Company to Customer which are inconsistent with the terms hereof shall not apply, and any provision of services by the Company shall not constitute assent to any such inconsistent terms.

18. Compensation of Company

All pricing shall be in accordance with the Quotes provided by the Company to Customer. With respect to packing services, the rates described herein cover the ordinary labor and materials involved in providing the packing services set forth in the Quote. Customer may be charged for additional non-ordinary expenses or expenses incurred in providing services not contemplated hereunder (including, without limitation, over-time and double-time charges at the Company's standard rates). With respect to warehousing services, the rates described herein cover the ordinary labor involved in receiving Products at the Warehouse, placing and maintaining such Products in storage and coordinating shipments of such Products with the carrier upon instruction by Customer. Storage charges become applicable upon the date that the Company accepts care, custody and control of the Products, regardless of unloading date or date of issue of the Material Receipt. Goods for which the Company provides Packing Services will receive thirty (30) days free storage. All other Goods will accrue storage from the date the Company accepts care, custody and control of the Products. All Goods not shipped after the expiration of thirty (30) days from the date that such goods are received by the Company shall be subject to additional storage charges, regardless of Services provided. Unless otherwise stated, storage rates and charges shall be computed and are due and payable as follows:

- i. Products received during the month shall be assessed a prorated storage charge; and

- ii. a full month's storage (renewal) charge will apply to all Products in storage for succeeding calendar months; and
iii. a prorated storage charge will apply to all Products in storage for the last calendar month of storage.

The Company shall have the right at any time or times, upon not less than sixty (60) days prior written notice to Customer, to increase the fees then charged to Customer hereunder. All prices are exclusive of all sales, use, excise or similar taxes applicable to the services provided by the Company and all such taxes shall be paid by Customer. All amounts payable by Customer shall be due thirty (30) days from the date of invoice. Terms and open account status are subject to change for failure to pay on a timely basis or impaired financial strength of Customer. Outstanding balances not paid when due shall be subject to interest, in addition to the principal amount due, at the lesser of one and one-half percent (1.5%) per month or the maximum interest rate permitted by applicable law, from the date of the invoice until paid. Customer agrees that, in the event any sums due the Company become subject to any collection activity, the Company shall be entitled to receive all reasonable costs and expenses of collection and/or suit including, but not limited to, attorneys' fees. Failure by the Customer to adhere to these General Terms and Conditions may result in forfeiture of all discounts, rebates and commissions.

19. Non-Waiver

No failure or delay by the Company in exercising any right, power or privilege hereunder shall operate as a waiver of such right, power or privilege.

20. Severability

In the event any paragraph(s) and/or portions(s) of these General Terms and Conditions is found to be invalid and/or unenforceable, then in such event the remaining provisions shall not be affected or impaired and shall remain in full force and effect.

21. Governing Law, Consent to Jurisdiction and Venue

These terms and conditions of service and the relationship of the parties shall be construed according to the laws of the State of New York without giving consideration to the principles of conflict of law. Customer and Company

- a. irrevocably consent to the jurisdiction of the United States District Court and the State courts of New York;
b. agree that any action relating to the services performed by Company, shall only be brought in said courts;
c. consent to the exercise of in personam jurisdiction by said courts over it, and
d. further agree that any action to enforce a judgement may be instituted in any jurisdiction.