

TERMS AND CONDITIONS FOR PURCHASE OF SERVICES (rev. 01/08)

1. **Definitions:** The term "Contract" means the written purchase order, contract or agreement which attaches, incorporates or otherwise references these terms and conditions, and any other documents and schedules, if any, which are by reference made a part of the Contract. The term "Company" means Reynolds Foil Inc, or its subsidiary(ies) or affiliate(s) executing this Contract. The term "Seller" means any individual, corporation or other entity who is to perform the Services purchased by the Company pursuant to this Contract. The term "Services" means all services furnished by Seller and purchased by Company under this Contract.
2. **Price/Terms:** Seller warrants that the prices set forth in this Contract are complete and that no additional charge of any type will be added without Company's express written consent in advance. Seller further warrants that the prices set forth in this Contract are the lowest prices charged for the Services, or substantially similar Services, sold by Seller to its other customers. If, after execution of this Contract, but prior to payment by the Company for Services purchased hereunder, Seller (i) sells, or offers to sell, Services, or substantially similar Services, to another customer at a lower price, (ii) offers a reduction in price to any customer already purchasing Services, or substantially similar Services, or (iii) sells, or offers to sell, Services, or substantially similar Services, on commercial terms that are, in Company's reasonable judgment, more favorable than those set forth in this Contract, such lower price or more favorable terms will be applicable to all purchases of Services by Company hereunder. If, at any time during the term of this Contract, Company receives a *bona fide* offer from a third party to supply Services to Company on similar commercial terms, but at a lower price, Company will notify, and provide the necessary particulars of such offer to Seller, and Seller will, within, thirty (30) days thereafter, inform Company whether it will match such price for Services purchased hereunder. If Seller does not agree to match such price, Company may, in its sole discretion, elect to purchase Services from such third party, and any obligation of Company to purchase Services from Seller pursuant to the terms of this Contract will be deemed to be waived by Seller to the extent of any such purchases. Upon request of Company, Seller will be required to certify that it is in compliance with the requirements of this paragraph. In addition, Company will have the right to examine and audit, during normal business hours, any and all records, data and documents, in whatever shape or form, including, but not limited to, electronic media, that may contain information relating to Seller's obligations as set forth in this paragraph. Such records will be kept in a form that is clear and accurate and containing content sufficient and adequate detail to permit the aforementioned audit.
3. **Taxes: Seller will bear and pay all applicable taxes of the United States or any state or any foreign government including political subdivisions of any of them, which are based on or measured by net income, gross income or gross receipts including any withholding taxes levied against Seller for the privilege of doing business in a jurisdiction.** If Seller is required by law to collect sales and use tax (including any gross receipts tax imposed similar to a sales and use tax) from the Company on behalf of any taxing jurisdiction, Seller will provide to Company invoices which separately state and clearly indicate the amount of tax and Company will remit any such tax to Seller. Seller will have the responsibility of complying with all applicable foreign, national, state or local laws regarding value added tax and sales and use tax or substitutes therefore including registration, collection of taxes and the filing of returns where applicable. Notwithstanding whether Seller must collect sales and use tax from Company, Seller will state on every invoice the taxing jurisdiction (e.g. country, state and local jurisdiction) in which Services were provided. If applicable, in lieu of payment for any sales and use tax, Seller will accept a properly executed exemption or direct pay certificate from Company. The determination of whether an exemption or direct pay certificate will be submitted to Seller in lieu of payment for any sales and use tax will be made by Company on a location by location basis. With the exception of sales and use tax as described above, all other taxes, however denominated or measured, imposed upon the Seller, or the price or compensation under this Contract, or upon the Services provided hereunder, will be the responsibility and liability of Seller.
4. **Rejection:** Services will be received subject to inspection and approval by Company after delivery. Upon inspection, Company may give Seller notice of rejection or revocation of acceptance, notwithstanding any payment, approval, or inspection. No inspection, approval, delay or failure to inspect, or failure to discover any defect or other nonconformance, will relieve Seller of any obligations under this Contract or impair or waive any right or remedy of Company with respect to Seller's performance hereunder. If, in Company's judgment, the Services do not conform with the requirements of this Contract, Company will have the right to reject the Services and, in addition to any other rights and remedies it may have, Company may, in its sole discretion: (1) seek reimbursement, credit, replacement, or repair as Company may direct; or (2) correct, rework, and/or repair the Services with all costs associated therewith to be charged to and paid by Seller. All such nonconforming Services that are so remedied will have the same warranty as stated in Section 5 from the date of re-delivery.
5. **Warranty:** Seller warrants that (a) it will strictly comply with the descriptions and representations of the Services (including performance capabilities, accuracy, completeness, characteristics, specifications, standards and requirements) which appear in this Contract, (b) Seller and the Services will not be in violation of any applicable law, rule or regulation and Seller will have obtained any permits or licenses required to comply with such laws and regulations, (c) the Services will not violate or in any way infringe upon the rights of third parties, including property, contractual, employment, trade secrets, proprietary information, and nondisclosure rights, or any trademark, copyright or patent rights, and (d) it is not subject to and will not enter into any agreements or arrangements which preclude compliance with the provisions of this Contract. These warranties are in addition to all other warranties, express, implied or statutory, which may be applicable. Seller will indemnify, defend and hold Company harmless from any breach of these warranties without prejudice to any other rights or remedies of Company. Limitations on Company's remedies in documents of Seller or otherwise will not be effective and are hereby objected to and rejected.
6. **Performance Standard:** Seller undertakes to perform the Services hereunder in accordance with the highest standards of professional and ethical competence and integrity in Seller's industry, and to ensure that employees assigned to perform any Services under this Contract will conduct themselves in a manner consistent therewith. The Services will be rendered by Seller in (1) an efficient, safe, courteous and businesslike manner, (2) in accordance with any specific instructions issued from time to time by Company and (3) to the extent consistent with above, as economically sound as business judgment warrants. Seller will promptly replace any employee or subcontractor that Company considers unfit or otherwise unsatisfactory.
7. **Intellectual Property:** Seller will indemnify, protect, defend and hold harmless Company, its successors and assigns from all claims, demands, judgments, settlements, costs, losses, damages and attorney fees incurred as a result of actual or alleged infringement of any patent, copyright, trademark, trade secret, or other actual or alleged intellectual property right of any third party arising from Company's purchase or use of Services supplied under this Contract, and to defend at Seller's expense, including reasonable attorney's fees, any and all suits or actions, based on such claims. All such obligations of Seller to indemnify, hold harmless, protect and defend Company are in addition to Seller's warranty obligations and all other rights or remedies of Company and will survive acceptance and use of, and payment for, the Services, and completion, termination, or cancellation of this Contract.
8. **Seller's Liability and Indemnification:** Seller will indemnify, protect, defend and hold harmless Company, its successors and assigns from and against all claims, demands, judgments, settlements, costs, losses, damages and attorney fees arising from personal injury, including death, or property loss or damage to Company or to others (including Seller and employees and invitees of Seller and of Company) arising out of or in any manner connected with the performance, production and/or delivery of, or any defect in, Services supplied or purchased hereunder, and/or any act or omission, whether caused by Seller, or a supplier of Seller, or employees or invitees of either of them, and to defend at Seller's expense, including reasonable attorney's fees, any and all suits or actions, based on such claims. WITH RESPECT TO CLAIMS AGAINST COMPANY BY SELLER'S EMPLOYEES, SELLER AGREES TO, AND HEREIN DOES, EXPRESSLY WAIVE ITS IMMUNITY, AS A COMPLYING EMPLOYER UNDER WORKERS' COMPENSATION LAW, FOR ANY AND ALL ACTS OF NEGLIGENCE, WHETHER PASSIVE OR ACTIVE, BUT ONLY TO THE EXTENT THAT SUCH IMMUNITY WOULD BAR OR AFFECT RECOVERY UNDER OR ENFORCEMENT OF THIS INDEMNIFICATION OBLIGATION. This waiver will apply to any immunity conferred upon an employer by any state's constitution or Workers' compensation laws with respect to liability for claims asserted against a third party by a seller's employee. In particular, but without altering or in any way limiting the general application of such waiver as set forth in the previous sentence, Seller expressly waives application of Section 35, Article II of the Ohio Constitution and Ohio Revised Code Section 4123.74, as may be amended from time to time. The obligations in this Section are in

addition to Seller's duty to provide insurance and will not be altered by any limitation on the amount or type of damages, compensation, or benefits payable by Seller under any Workers' Compensation Act, U.S. Longshoremen's and Harbor Workers' Act, or any other employee benefit act.

9. **Insurance:** Seller agrees to maintain the following types of insurance coverage: (a) Workers' Compensation Insurance or qualification as a self-insurer to satisfy the laws of the states which have jurisdiction over Seller's employees. To the extent permitted by law, Seller's Workers' Compensation Insurer or Seller, if self-insured, agrees to waive rights of subrogation against Company; (b) Employers' Liability Insurance for Bodily Injury per accident with limits of not less than \$1,000,000 and Bodily Injury by Disease with limits of not less than \$1,000,000 per policy; (c) Commercial General Liability Insurance for bodily injury, personal injury and property damage, including coverage for products/completed operations and contractual liability, with combined limits of not less than \$5,000,000 per occurrence; and (d) Automobile Liability Insurance covering use of all owned, non-owned and hired vehicles with minimum combined single limits of liability for bodily injury and property damage of not less than \$1,000,000 per occurrence. Also, Seller's Commercial General Liability policy will be endorsed to name Company as an additional insured and if Seller, either as principal or by agent or employee, enters upon the property of Company in order to provide Services, Seller will name Company as an additional insured on Seller's Automobile Liability policies. Seller may satisfy the limits of insurance required herein with any combination of primary and umbrella/excess insurance policies. Seller's insurance will be primary without right of contribution of any other insurance carried by or on behalf of Company. Upon Company's request, Seller will provide Company with written certification, reasonably acceptable to Company, of Seller's compliance with the requirements listed in this paragraph. The insurance requirements in this paragraph are separate and distinct from any other obligations of Seller contained herein, and neither the issuance of any insurance policy nor the minimum limits specified herein will be deemed to limit or restrict in any way Seller's liability arising under this Contract.
10. **Termination:** Unless otherwise expressly set forth in this Contract, Company may terminate this Contract, in whole or in part, at any time by giving written notice to Seller. After receiving written notice of termination, Seller will immediately cease production and delivery of all Services indicated in the notice of termination. Unless such termination is due to default of Seller or failure of Seller to assure adequate performance, Company will pay Seller, on a *pro rata* basis, for Services delivered as of the date of termination, and for actual, reasonable expenses incurred by Seller for work-in-process up to and including the date of termination, but only to the extent that such expenses do not exceed the prices set forth in this Contract. Upon such payment, all work-in-process and finished services for which Company has paid will, at Company's option, become the property of Company and will be released by Seller to Company upon demand. The provisions of this clause are without prejudice to any other rights or remedies of Company, including those resulting from default by Seller hereunder.
11. **Cancellation:** Company will have the right to cancel this Contract, in whole or in part, if the Services are, in Company's judgment, non-conforming or defective or not delivered as scheduled, or if Seller fails to comply with or fulfill any of the terms and conditions of this Contract, or with Company's shipping and billing instructions, or if, in Company's opinion, the credit or ability of Seller to perform this Contract becomes impaired, whereupon Company will have the continuing right to obtain Services from another source with any resulting increase in cost thereof charged to and paid by Seller, all without prejudice to any other rights or remedies of Company and in addition thereto.
12. **Payments:** Unless otherwise expressly set forth in this Contract, the terms of payment are net 90 days after Company's receipt of either Seller's valid invoice, or the Services, whichever is later. Payment by Company of an invoice from Seller does not constitute acceptance of the Services covered by the invoice. If the production or delivery of Services covered by this Contract may give rise to mechanics' or other similar liens, payment will not be due and the cash discount period will not commence until Seller has delivered to Company a complete release of all liens arising out of the production or delivery of such Services or receipt in full covering all labor and materials for which a lien could be filed or a bond satisfactory to the Company indemnifying it against any lien. If payments are required to be made under this Contract by Company in a currency other than USD, Seller will provide Electronic Funds Transfer (EFT) instructions to Company and Company will make such payments to Seller electronically, to the extent permitted by law. Company will have the right, at any time, to set off and apply against any monetary obligations that Company owes to Seller hereunder, any obligations that Seller, or any of its parents, subsidiaries or affiliates, may owe to Company.
13. **Confidentiality:** Seller agrees not to disclose or publicize the fact that Company has contracted with Seller, and not to disclose any details, specifications, designs, drawings or other information contained in this Contract, without Company's prior written permission. Unless otherwise generally known to the public, all information disclosed by Company to Seller is confidential and proprietary and Seller agrees that it will not disclose or use such information except for the purpose of performing its obligations under this Contract. All things (such as drawings, documents, etc.) containing such information are the property of Company and are to be delivered to Company upon demand. Seller agrees that no information disclosed by it to Company will be confidential unless due notice thereof is given in advance to and accepted by Company in writing.
14. **Liens:** Seller guarantees that no lien, encumbrance or security interest will be filed by anyone against Company, Company's property or the Services furnished under this Contract, and Seller agrees to indemnify, protect, defend and hold harmless Company, its successors and assigns from and against all claims, demands, judgments, settlements, costs, losses and damages and attorney fees arising from any such liens, encumbrances or security interests and defend, at Seller's expense, including reasonable attorney's fees, any and all suits or actions, based on such claims.
15. **Independent Contractor/Safety:** Seller is and will remain an independent contractor of the Company. No employee, agent, or representative of Seller or its subcontractors will be deemed to be an employee of Company. Seller will provide all safeguards, and take all precautions necessary in connection with the production and delivery of the Services sold hereunder to prevent the occurrence of any accident, injury, death, loss, or damage to any person or property, and will be solely responsible therefor. Seller warrants that all Services delivered hereunder will be produced and delivered in a safe, proper, and workmanlike manner and in compliance with all applicable codes, regulations, laws, standards, specifications and Company requirements concerning safety, performance and otherwise, including, without limitation, any Services or services related thereto performed on premises controlled by Company. Seller will indemnify, protect, defend and hold harmless Company, its successors and assigns from and against all claims, demands, judgments, settlements, costs, losses, damages and attorney fees arising from injury to or by Seller's employees, agents, or representatives or those of its subcontractors in performing any such Services or services related thereto.
16. **Assignment:** Neither this Contract, nor Seller's rights and obligations hereunder, are assignable by Seller without the prior written consent of Company. No such consent or assignment will release Seller or change Seller's liability to perform all of its obligations under this Contract.
17. **No Violation of Law:** Seller warrants that it will comply with all applicable foreign, federal, state and local laws and regulations in producing and delivering Services hereunder. Upon request, Seller will furnish Company with certificates of compliance therewith. Unless this Contract is otherwise exempted by law, Seller will comply with Executive Order 11246, as amended by Executive Order 11375 (Equal Employment Opportunity) the Rehabilitation Act of 1973, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, the Americans with Disabilities Act, as they have been or may be amended from time to time, and regulations implementing such statutes; and any similar state and local laws and ordinances and the regulations implementing such statutes. If requested by Company, Seller will furnish to Company an executed Certificate of Nonsegregated Facilities. Seller warrants that the Services delivered hereunder were produced at Company facilities complying with all applicable provisions of the Occupational Safety and Health Act and applicable regulations under that Act and agrees to, upon request, provide Company with all explanatory and factual information needed to verify such compliance and to enable Company to comply therewith, and with any other laws and regulations applicable hereto. Seller further warrants that it will comply, where applicable, and without limitation, with all orders, standards, and regulations of the National Highway & Transportation Safety Administration, Federal Aviation Administration, Environmental Protection Administration, Food and Drug Administration, Consumer Product Commission, and Occupational Safety & Health Act Administration.

18. **Environment, Health, Safety and Security:** If Seller, either as principal or by agent or employee, enters upon the property of Company, Seller agrees to comply with Company's rules and regulations, including its environmental, health, safety and security rules and regulations.
19. **Company Name/Logo:** Seller may not use the Company's name and/or logo in any manner other than as may be identified in this Contract without first obtaining written permission from Company.
20. **Import/Export Compliance:** If any Services are to be delivered into any other country, the Seller will be responsible for strict compliance with all legal, regulatory and administrative requirements associated with any importation or exportation of such Services, including obtaining any required licenses or approvals and, unless otherwise agreed between the parties elsewhere in this Contract, the payment of all associated duties, taxes and fees.
21. **Duty Drawback:** Upon request of Company, Seller will cooperate with Company in seeking any duty drawback available to Company in connection with export by Company of any Services imported by Seller and provided to Company under this Order, or incorporating, or manufactured by Company from, such Services. Without limitation, Seller will (i) provide all information with respect to such imported Services necessary to complete any such drawback claims to be filed by Company, including U.S. Customs Service entry numbers, dates of entry, quantities and description of goods, customs values, and rates and amounts of customs duties paid by Seller, and (ii) execute applicable certificates of delivery and other documents as necessary in connection with Company's drawback claims.
22. **Consequential, Incidental or Special Damages:** In no event will Company be liable for consequential, incidental, or special damages of any kind. Any action on any claim against Company must commence within one year after the cause of action has accrued or the right to bring such action will be deemed to have been waived by Seller.
23. **Limitation of Damages:** In the event of breach of the Contract by Company, Company will be liable to Seller only for actual monetary damages and in no event will Company be liable for any amount greater than the amount of the Order under which Company has failed to perform or is in breach thereof.
24. **Changes:** Company may, at any time, in writing, make changes to the general scope of this Contract, and Seller will continue performance of this Contract as so changed. If any such change causes an increase or decrease in the cost of, or time required for, the performance of Seller's obligations under this Contract, an equitable adjustment will be made to the price or delivery schedule, or both, and this Contract will be modified in writing accordingly.
25. **Electronic Commerce:** Upon Company's request, Company and Seller will facilitate business transactions by electronically transmitting data. Any data electronically transmitted pursuant to this section will be as legally sufficient, binding and enforceable upon the parties as a written, signed, paper document exchanged between the parties, notwithstanding any legal requirement that the data be in writing or signed. To the extent required by Company, each authorized representative of a party will adopt a unique, verifiable digital identification consisting of symbols or codes to be transmitted with each electronic transmission and use of such digital identification will be deemed for all purposes to constitute a "signature" and will have the same effect as a signature on a written document.
26. **Notifications.** Seller agrees to immediately notify Company of any actual or possible safety problems attributable to the Services delivered hereunder. Seller also agrees to give Company reasonable advance notice of potential material shortages, labor disputes, insolvency or other matters that might delay or interfere with its performance of this Contract.
27. **Company's Property and Parts.** All property of any kind supplied to Seller or paid for by Company will be and remains Company's property, and Seller will maintain such property in good condition and repair, except to the extent that such property is integrated into Services delivered hereunder. Materials or parts provided by, or on behalf of, Company which have been, or are to be, processed by Seller are consigned to Seller solely for purposes of such processing and remain Company's property. All Company property, while in Seller's custody or control, will be held at Seller's risk, free of all liens, encumbrances or security interests of Seller or third parties, and will be kept insured by Seller at Seller's expense in an amount equal to replacement cost with loss payable to Company. Seller will indemnify, protect, defend and hold harmless Company, its successors and assigns from and against all loss or damage to such property occurring while in Seller's custody or control. All property of the Company is subject to removal by Company at any time, and to return upon Company's request.
28. **Force Majeure.** Company reserves the right to cancel this Contract, in whole or in part, or to delay payment for, or acceptance of, Services for causes beyond Company's control.
29. **Entire Agreement:** These terms and conditions, and any Contract which attaches, incorporates or otherwise references these terms and conditions, together set forth the entire agreement between Company and Seller with respect to the subject matter hereof and supersede all other prior negotiations, commitments and writings between the Parties with respect hereto. All Services supplied pursuant to this Contract will be provided pursuant to the terms and conditions hereof, which will supersede and override any and all preprinted terms and conditions contained on any documents provided by Seller in connection with its obligations hereunder, including, but not limited to, sales order acknowledgment forms, packing slips, bills of lading and invoices. This Contract will become legally enforceable on the earlier of delivery of a signed acknowledgment, commencement of performance, or delivery according to schedule of all or any portion of the Services covered under this Contract, by Seller. This Contract expressly limits Company's acceptance of Services delivered hereunder to the terms and conditions stated in this Contract. Any additional, different or conflicting terms proposed by the Seller are hereby objected to and rejected unless expressly accepted in writing by Company.
30. **Other Provisions:** This Contract is governed by the laws of the Commonwealth of Virginia, excluding its laws related to choice or conflicts of law. Any and all disputes between the parties that may arise pursuant to this Contract will be heard and determined before an appropriate arbitrator, federal, or state court located in Richmond, Virginia. The Seller acknowledges and agrees that any such court will have the jurisdiction to interpret and enforce the provisions hereof and/or an arbitrator's judgment, and the Seller waives any and all objections that it might otherwise have as to personal jurisdiction or venue in any of the above tribunals. Company's failure to assert any right is not a waiver of such right or any other right. Time is of the essence with respect to Seller's performance hereunder. Any remedies provided herein to Company are cumulative and in addition to any other remedies provided in law or equity or by statute. Before Seller takes any action to retain professional assistance or assign or subcontract any tasks covered by this Contract, Company will be consulted about such proposed action and such action will not be consummated by Seller unless Company has given its prior written consent to Seller. No such retention of assistance, assigning or subcontracting of tasks will relieve Seller of its obligations under this Contract.