MEGAMI INK

**MEGAMI INK AMERICA INC.**
1051 PERIMETER DRIVE, SUITE 515
SCHAUMBURG, IL 60173

# SALES TERMS AND CONDITIONS

1. CONTRACT FORMATION
   These Sales Terms and Conditions (the "Terms") are incorporated into the Purchase Order Confirmation Sheet or other similar MEGAMI writing (the "Purchase Order Confirmation"), which constitutes the only terms that govern the sale by MEGAMI to BUYER of those products described in BUYER's purchase order. In absence of any separate agreement, these Terms shall govern and apply to the sale of the goods to BUYER, regardless of any terms and conditions set forth on any purchase order or other forms submitted by BUYER to MEGAMI.

2. MODIFICATION
   (a) Any term or condition proposed by BUYER in any of BUYER's documents which conflicts with, is inconsistent with, or is in addition to any term or condition provided in these Terms is hereby objected to by MEGAMI and shall be void and of no effect unless and only to the extent expressly accepted by MEGAMI in writing.

   (b) The only changes to these Terms by which MEGAMI will be bound are express written changes signed by an authorized representative of MEGAMI. In no event shall MEGAMI's silence be construed as an acceptance of proposed changes in or addition to the Terms.

3. TIME OF PAYMENT AND LATE PAYMENT PENALTY
   BUYER shall pay all invoiced amounts due to MEGAMI within 30 days from the date of MEGAMI's invoice. BUYER shall pay interest of 1.5% per month or the highest rate permissible under applicable law, whichever is less, calculated daily and compounded monthly, on all unpaid, undisputed balances more than 30 days old. BUYER shall reimburse MEGAMI for all costs incurred in collecting any late payments, including, without limitation, attorney's fees.

4. DELIVERY, TITLE AND RISK OF LOSS
   MEGAMI will use commercially reasonable efforts to deliver the products on the delivery date as indicated on the Purchase Order Confirmation. MEGAMI shall not be liable for any delays, loss or damage in transit. Title to all products sold hereunder and risk of loss with respect thereto shall pass from MEGAMI to BUYER at point of shipment, as designated on the Purchase Order Confirmation.

5. INSPECTION, TIME OF REJECTION AND NOTICE
   BUYER shall inspect the products within 5 days of delivery (the "Inspection Period"). BUYER will be deemed to have accepted the products unless it notifies MEGAMI in writing within the Inspection Period fully specifying any Nonconforming Products and furnishes such written evidence or other documentation as required by MEGAMI. "Nonconforming Products" means only the following: (a) product shipped is different than identified in the Purchase Order Confirmation; or (b) product's label or packaging incorrectly identifies its contents. If BUYER timely notifies MEGAMI of any Nonconforming Products, MEGAMI shall, in its sole discretion, (a) replace such Nonconforming Products with conforming products, or (b) credit or refund the price for such Nonconforming Products. BUYER must ship, at its expense and risk of loss, the Nonconforming Products to MEGAMI's place of business within 30 days of the date of notice of the Nonconforming Products.

6. NO REVOCATION OF ACCEPTANCE
   Once BUYER accepts products tendered under this contract, BUYER's acceptance shall be final and irrevocable. No attempted revocation of acceptance shall be effective.

7. LIMITED WARRANTY
   (a) MEGAMI warrants that for the quality assurance period starting on the date of manufacture of the product, as set forth on the technical data sheet and product label (the "Warranty Period"), that products delivered hereunder will materially conform to MEGAMI's product standards for the

products or such other specifications as have been expressly agreed upon with BUYER in writing. MEGAMI warrants further that such products are adequately contained, packaged, and labeled and conform to the promises and affirmations of fact made on the container and label.

(b) **EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS SECTION 7, MEGAMI MAKES NO WARRANTY WITH RESPECT TO THE PRODUCTS, INCLUDING ANY WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY, WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE. ANY STATEMENT GIVEN BY MEGAMI AS TO THE USE OF ITS PRODUCTS WITH ANOTHER PRODUCT SHALL NOT BE CONSTRUED AS A WARRANTY, EITHER EXPRESS OR IMPLIED BY LAW, AS TO THE COMPATIBILITY OF MEGAMI'S PRODUCTS WITH ANOTHER PRODUCT. SUCH USE OF MEGAMI'S PRODUCT IN COMBINATION WITH OTHER PRODUCTS SHALL BE AT BUYER'S SOLE RISK. BUYER HEREBY DISCLAIMS ANY RELIANCE OR INDUCEMENT BASED UPON ANY PRODUCT BROCHURES, LITERATURE, ON-LINE CONTENT OR OTHER WRITTEN OR VERBAL STATEMENTS OR DESCRIPTIONS WITH RESPECT TO THE PRODUCTS, EXCEPT TO THE EXTENT SUCH STATEMENTS OR DESCRIPTIONS ARE EXPRESSLY SET FORTH IN THESE TERMS.**

(c) MEGAMI shall not be liable for a breach of the limited warranty set forth in this Section 7 unless (i) BUYER gives written notice of the defect, reasonably described, to MEGAMI within 10 days of the time when BUYER discovers or ought to have discovered the defect; (ii) MEGAMI is given a reasonable opportunity after receiving the notice to examine such allegedly defective products and BUYER (if requested to do so by MEGAMI) returns such allegedly defective products to MEGAMI's place of business at MEGAMI's cost for the examination to take place there; and (iii) MEGAMI reasonably verifies BUYER's claim that the products are defective. MEGAMI shall not be liable for a breach of the limited warranty set forth in this Section 7 if (i) the defect arises because BUYER failed to follow MEGAMI's oral or written instructions as to the storage, use, or maintenance of the products; or (ii) BUYER alters or tampers with such products without the prior written consent of MEGAMI. Subject to the foregoing, with respect to any such products during the Warranty Period, MEGAMI shall, in its sole discretion, either (i) replace such products or (ii) credit or refund the price of such products provided that, if MEGAMI so requests, BUYER shall, at MEGAMI's expense, return such products to MEGAMI. **THE REMEDIES SET FORTH IN THIS SECTION 7 SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDY AND MEGAMI'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTY SET FORTH IN THIS SECTION 7.**

8. LIMITATION OF MEGAMI'S LIABILITY

**IN NO EVENT SHALL MEGAMI BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, WHETHER ARISING OUT OF OR RELATING TO ANY BREACH OF THESE TERMS, WHETHER OR NOT THE POSSIBILITY OF SUCH DAMAGES HAS BEEN DISCLOSED IN ADVANCE BY BUYER OR COULD HAVE BEEN REASONABLY FORESEEN BY MEGAMI, REGARDLESS OF THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL MEGAMI'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THESE TERMS OR RELATING TO THE SALE OF THE PRODUCTS HEREUNDER, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, EXCEED THE PURCHASE PRICE OF THE PRODUCTS GIVING RISE TO THE CLAIM.**

9. INDEMNIFICATION

MEGAMI shall not be liable for, and BUYER assumes liability for and agrees to indemnify, defend and hold harmless MEGAMI, its parent and affiliated companies and their respective officers, directors, agents, employees, and assigns (collectively, "MEGAMI Indemnitees") against any and all losses, claims, lawsuits,

damages, liabilities, costs, and expenses, including attorney's fees and expenses (collectively, "Losses"), resulting from or arising out of bodily injury, death or property damage caused in whole or in part by any willful or negligent act or omission of BUYER, its agents, contractors and employees, including, but not limited to, BUYER's misuse of the products or use, maintenance, or storage of the products not in accordance with MEGAMI's recommendations, instructions, or standard industry practices whether such products are used alone or in combination with other products.

10. HAZARD NOTICE
BUYER acknowledges that products sold under these Terms are or may be hazardous to human health and BUYER ASSUMES ALL RISK AND LIABILITY FOR THE USE, MAINTENANCE, AND STORAGE OF THE PRODUCTS. As partial consideration for MEGAMI's agreement to sell products listed on the Purchase Order Confirmation, BUYER agrees to familiarize itself and keep informed (without reliance on MEGAMI) with respect to any hazards to persons or property involved in handling and using the material and the containers in which such material is shipped. BUYER shall advise its employees, independent contractors and others who handle and use the products or BUYER shall take such action as reasonably necessary to advise others, including without limitation the customers of the BUYER, where foreseeably exposed to or ultimate users of the products of the suspected or proven hazards of the material. BUYER at its expense shall comply with all federal, state and local laws, statutes, rules, regulations, codes, orders and standards applicable to the products, including as to use and service, including, but not limited to, the Occupational Safety and Health Act of 1970 and all laws and regulations relating to hazardous substances, including, but not limited to, E.P.A. and Department of Transportation rules on handling, disposal, transport and emission of hazardous wastes and substances. If BUYER fails to comply with any provisions of this paragraph, applicable governmental or industry standards or regulations, or requirements imposed by law, BUYER shall defend, indemnify and hold MEGAMI Indemnitees harmless from and against any and all Losses arising therefrom. MEGAMI is not responsible for the generation, characterization, management, treatment, storage, handling, disposal or release of any chemicals or hazardous materials from or related to the products. MEGAMI shall not be responsible for compliance with any local laws, ordinances, codes or the interpretation thereof which may be in effect at BUYER's location.

11. FORCE MAJEURE
MEGAMI shall not be responsible for any inability to deliver or failure to deliver the product or to meet an agreed shipping schedule in the event of any acts of God, Governmental authority, or the public enemy, fires, floods, strikes, labor lockouts, freight embargoes, or any other causes or contingencies beyond MEGAMI's reasonable control.

12. GOVERNING LAW AND FORUM
These Terms shall be governed by and construed in accordance with the laws of the State of Illinois, without giving effect to its conflicts-of-laws principles. MEGAMI and BUYER agree that the United Nations Convention on Contracts for the International Sales of Goods shall not apply to these Terms. The exclusive forum for any dispute, claim, or cause of action arising out of or relating to these Terms or the sale of products hereunder shall be the state or federal courts of competent jurisdiction located in Cook County, Illinois. BUYER irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding or any kind whatsoever against MEGAMI in any way arising from or relating to these Terms or the sale of products hereunder in any forum other than such courts.

13. ENTIRE AGREEMENT
These Terms constitute the sole and entire agreement between the parties with respect to the subject matter contained herein. These Terms supersede any and all prior and contemporaneous agreements, communications, arrangements, contracts, understandings, negotiations, proposals, representations, warranties, promises, covenants and commitments, both written and oral, by or on behalf of any party, regarding such subject matter.

14. ATTORNEY'S FEES

In the event that MEGAMI retains legal counsel to enforce its rights hereunder and/or otherwise is required to institute legal proceedings to enforce its rights hereunder, BUYER shall reimburse and pay to MEGAMI all costs and expenses relating thereto, including, without limitation, reasonable attorney's fees.

15. SEVERABILITY
In the event that any words, phrase, clause, sentence, paragraph, or other provision hereof shall be held invalid, void, illegal, inoperative, unenforceable or in violation of law, the remaining provisions of these Terms and the application to other persons and circumstances shall not be affected, impaired or invalidated thereby to the extent that such remaining provisions of these Terms and such application to other persons and circumstances can be given reasonable effect with the invalid portion. Each provision of these Terms shall be valid, binding and enforceable to the fullest extent permitted by applicable law.