SPECIALTY CONTAINER, INC.

SUPPLIER MANUAL

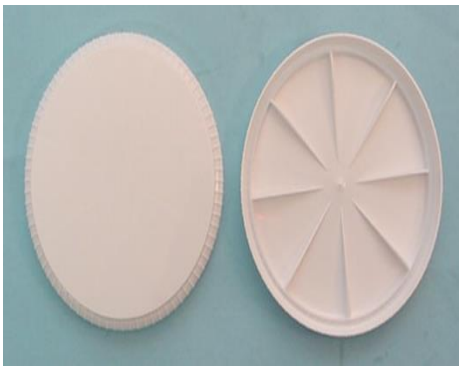


TABLE OF CONTENTS

A. PREFACE

A.1. Introduction

The SPECIALTY CONTAINER Supplier Manual (the 'Manual') describes Specialty's method of evaluating, approving, rating, and ranking its Suppliers. This manual outlines the process for initially becoming an Approved Supplier to Specialty and also defines the level of quality and service Specialty requires of its Suppliers. It is intended to be the primary document that communicates our Supply Chain and Quality philosophy to our Suppliers and helps align their business objectives with ours.

The following key items are discussed in detail in this manual:

a. Requirements and procedures for becoming an Approved Specialty Supplier
b. Suppliers' performance expectations
c. Supplier non-conformance issue resolution methodology
d. Change in process/design related methodology
e. Purchasing / commercial issues

The manual consists of 3 main sections defined by Specialty Container's Tier levels.
Section D.1 Tier 1 suppliers defined as manufacture or distributor
Section D.2 Tier 2 suppliers defined as manufacture or distributor
Section D.3 Tier 3 all other suppliers

B. SPECIALTY CONTAINER INC'S PHILOSOPHIES

B.1 Mission

Our company is dedicated to providing customized products and stock to meet or exceed our customer's expectations while maintaining the lowest cost, in turn producing a respectable profit for our company.

a. We do this by:
    i. Providing assistance in art design.
    ii. Testing our product regularly.
    iii. Maintaining the molds continuously and pro actively.
    iv. Inspecting our product as it is produced.
    v. Offering a variety of product to choose from.
    vi. Assuring reasonable value for every dollar our customers spend with us.
    vii. Providing ongoing training for all personnel.
    viii. Providing creative innovative ideas, designs, and new products for our customers ever changing market needs.

We value our customers and want them to return. It is the only way we can be successful as a business. They know us and like us and, as a result, they have supported us over the years.

The success of any company is based on an attitude of total teamwork by the entire staff. In taking the best possible care of our customers, we will grow and succeed as a company.

B.2 Company Values

a. The Golden Rule: We all have a right to be treated with respect and dignity and have a responsibility to treat others the same way.
b. The Decision Test: Every decision we make will be Legal, Ethical, and Credible.

c. The Six C's: Every day, in pursuit of our goals, we will be Careful, Creative, Caring, Committed, Courageous, and Customer-Focused.

B.3 Communication between Specialty and Suppliers

a. Specialty Container works with our Suppliers to out source the design and manufacturing of many of our components. We work with our Suppliers in varied degrees of involvement in the component design process; at times Suppliers may be involved early on in the concept design stage whereas in many cases, the Suppliers may be involved only after the design has been finalized. This multi-faceted Supplier involvement approach requires communication at various levels within Specialty and also across Specialty and our Suppliers.
b. In order to streamline and manage the information flow, we require that all commercial communication (including purchase orders, volumes, cost, lead time etc.) between Specialty and our Suppliers should be through Specialty Container Supply Chain. It is the primary contact in the company and is responsible for disseminating such information to appropriate people within Specialty.
c. All information related to process and quality should be communicated directly to Specialty Supplier Quality Assurance. Supply Chain will be able to provide the name of the Supplier Quality Assurance representative responsible for a particular Supplier.
d. In cases where the Suppliers need to communicate directly with other Suppliers such as engineering and design Suppliers, it is recommended that the relevant Supply Chain Representative is informed.
e. The following general rules should be followed:
    i. Email communication- Copy Supply Chain on all communication taking place between the suppliers and other Specialty employees.
    ii. Teleconferences- Invite Supply Chain to the teleconferences
    iii. Meetings- Invite Supply Chain to any meetings.

B.4 Supply Management Philosophy

a. Specialty Container's Supplier Management Program will actively and continuously seek out improvements from our Suppliers to enhance Specialty's ability to provide our customers with printed and unprinted plastic containers and closures, product lines up to and including straight wall and tapered cans, while maintaining our leadership in the current product market.
b. Specialty will remain at the forefront of technology by implementing joint development new ideas and methodologies to the design and manufacture of our products. An ideal Supplier to Specialty will be well managed, financially sound, and technically competent.
c. Consistent with our stated company values, Specialty will treat all its Suppliers and their representatives fairly and impartially.
d. Specialty's Supply Chain is responsible for all aspects of procurement, logistics, warehousing, and delivery. Specialty's Director of Operations and Supplier Quality Assurance is responsible for the qualification of new Suppliers and re-qualification of existing ones. The choice of Suppliers in any of these areas may be the result of investigation and deliberation amongst various departments within Specialty, but the commitment to purchase rests solely with the appropriate procurement member of Supply Chain.
e. Financial commitments cannot be made by any other Specialty Container employee.

B.5 Packaging

a. All products shall be packaged, marked, and otherwise prepared for shipment in a manner which is (a) in accordance with good commercial practice; (b) acceptable to common carriers for shipment at the lowest rate for the particular Suppliers; and (c) adequate to ensure safe arrival of the material.
b. The supplier shall mark all containers with necessary lifting, handling and shipping information, Supplier name, Specialty's Purchase Order number, complete Specialty Part Number and drawing/specification revision Level, description and quantity of the material, lot number (if applicable), and date of manufacture. In addition, Suppliers shall provide a Certificate of Conformance (COC) and/or Certificate of Analysis (COA) with each shipment as required by the

agreed upon specification for the part. Please refer to the applicable drawings/ specifications for packaging details (if available).

B.6 Press Releases

a. Except as required by applicable law, a governmental authority or regulatory requirements, Suppliers will not issue a press release, grant an interview to the press, or otherwise make a general public announcement, regarding the subject matter of any relationship, agreement, etc., with Specialty without the prior written consent of Specialty. Consent will be granted only under exceptional circumstances.
b. Suppliers may be required to sign a confidentiality agreement with Specialty as determined by Specialty.

C. SPECIALTY CONTAINER'S SUPPLIER MANAGEMENT PROGRAM

C.1. The Supplier Management Program has two types of Suppliers:

a. Distributors
b. Manufacturers

C.2. Specialty Container uses Tier Levels to identify our raw material suppliers

a. Tier 1
    i. Supplier Distributors:
        1. HDPE/Co-Poly
    ii. Supplier Manufacturers:
        1. HDPE/Co-Poly
        2. LDPE Colorant
        3. UV inks
        4. Injection Molders
b. Tier 2
    i. Supplier Distributors:
        1. Any other printing labels
    ii. Supplier Manufacturers:
        1. Boxes
        2. Dry off-set Printing Plates
        3. Skids
c. Tier 3
    i. All other suppliers' examples: Press blankets, tape, stretch wrap, machine parts, mold parts, etc.….

C.3. The supplier Management Program has two main categories broken down by Distributors and Manufacturers

a. Approval Process
b. Supplier Performance Process Audit

C.4. Specialty Container Supplier Management Program for Tier 1 Distributors- Audit yearly

i. The Approval Process- Distributors must only purchase from manufactures that have a quality management system in place such as ISO9001, AS9100, or other qualifying Quality Management Certificate.
    1. This process is intended to quantify the strength of Suppliers and their ability to keep Specialty competitive.
    2. Distributors must provide a CoA for material
ii. Supplier Performance Process (Quality, Delivery, Value / Cost).

1. Yearly capability score / total possible points= Quality Score
    a. Distributors General Supplier Audit= Capability score
        i. 66 points for providing manufactures Quality Certificate
        ii. Corrective actions and missed on time deliveries are scored 1 point for each.
        iii. These totals are subtracted from the 66 points.
2. Yearly acceptable product / on time deliveries= on time delivery %
3. Yearly acceptable product / total product delivered= Value / cost %

C.5. Specialty Container Supplier Management Program for Tier 1 Manufacturers- Audit Yearly

i. The Approval Process- Manufacturers do not have to be certified, however must have a quality management system in place.
    1. This process is intended to quantify the strength of Suppliers and their ability to keep Specialty competitive.
    2. Manufactures must provide a CoA/CoC for material
    3. Injection Molders- Specialty Container will perform an on-site audit (Molding Audit Report= CoC)
ii. Supplier Performance Process (Quality, Delivery, Value / Cost).
    1. Yearly capability score / total possible points= Quality Score
        a. Manufactures General Supplier Audit= Capability score
            i. 66 points for providing manufactures Quality Certificate
            ii. Corrective actions and missed on time deliveries are scored 1 point for each.
            iii. These totals are subtracted from the 66 points.
    2. Yearly acceptable product / on time deliveries= on time delivery %
    3. Yearly acceptable product / total product delivered= Value / cost %

C.6. Specialty Container Supplier Management Program for Tier 2 Distributors- Audit every 3 years

i. The Approval Process- Distributors must only purchase from manufactures that have a quality management system in place such as ISO9001, AS9100, or other qualifying Quality Management Certificate.
    1. This process is intended to quantify the strength of Suppliers and their ability to keep Specialty competitive.
    2. Distributors must provide a CoA for material
ii. Supplier Performance Process (Quality, Delivery, Value / Cost).
    1. Yearly capability score / total possible points= Quality Score
        a. Distributors General Supplier Audit= Capability score
            i. 66 points for providing manufactures Quality Certificate
            ii. Corrective actions and missed on time deliveries are scored 1 point for each.
            iii. These totals are subtracted from the 66 points.
    2. Yearly acceptable product / on time deliveries= on time delivery %
    3. Yearly acceptable product / total product delivered= Value / cost %

C.7. Specialty Container Supplier Management Program for Tier 2 Manufacturers- Audit every 3 years

i. The Approval Process- Manufacturers do not have to be certified, however must have a quality management system in place.
    1. This process is intended to quantify the strength of Suppliers and their ability to keep Specialty competitive.
    2. Manufactures must provide a CoA/CoC for material
    3. Injection Molders- Specialty Container will perform an on-site audit (Molding Audit Report= CoC)
ii. Supplier Performance Process (Quality, Delivery, Value / Cost).
    1. Yearly capability score / total possible points= Quality Score
        a. Manufactures General Supplier Audit= Capability score
            i. 66 points for providing manufactures Quality Certificate
            ii. Corrective actions and missed on time deliveries are scored 1 point for each.
            iii. These totals are subtracted from the 66 points.

2. Yearly acceptable product / on time deliveries= on time delivery %
3. Yearly acceptable product / total product delivered= Value / cost %

C.8. Specialty Container Supplier Management Program for Tier 3- No audit required

i. The Approval Process- Must meet Purchase order requirements
ii. Supplier Performance Process- Product met Purchase order requirements

C.9. Approval Process

i. A Supplier is considered under evaluation during a period of initial business, quality, technical and environmental review. Typically, no purchase orders are issued during this time, although the Supplier may provide samples for evaluation/testing. A Confidentiality Agreement may be required to be executed in order to permit meaningful technical discussions.
ii. This process is intended to quantify the strength of Suppliers and their ability to keep Specialty competitive.
iii. Please refer to Figure 1: Supplier Approval Process.

C.10. Supplier Audit

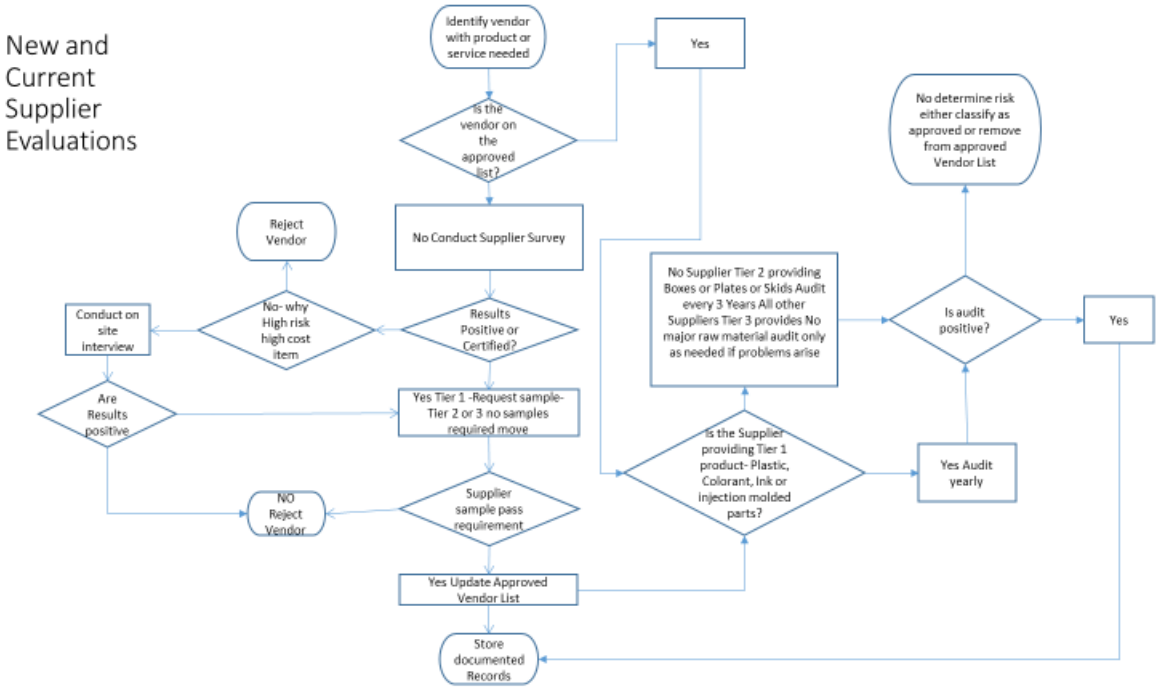
i. A Supplier Audit (SP-GSA) is the minimum information required for the assessment of a Supplier. This form will be provided by Supply Chain or Supplier Quality Assurance.
ii. It is Specialty's intention to seek Suppliers who excel in quality and on-time delivery, and continue to keep Specialty competitive. A Supplier Audit will be performed to ensure the potential Supplier is a viable company and has the capability to perform as desired by Specialty.
iii. This process will allow us to monitor the effectiveness of Supplier's management systems and identify continual improvement opportunities.
iv. Specialty expects that all Specialty Suppliers shall have a Quality Management System (QMS) in place.
v. Suppliers that do not have a QMS in place are expected to work towards one certification not required.
    1. Suppliers that are currently ISO/9000 may not require an on-site audit by Specialty Container. Specialty may simply request specific quality documents be forwarded (i.e. Quality Manual, control plans) as required.
vi. Environmental Assessment
    1. Specialty Container requires that all of its Suppliers comply with all applicable Governmental, Federal State/Provincial and local environmental regulations. Suppliers must also ensure compliance of their products to all applicable laws and regulations. This includes compliance to all environment, health and safety requirements on restricted, toxic and hazardous substances, prior to shipment and delivery of any products, to and from Specialty, that fall into this category.

C.11. Qualification of Suppliers

i. Suppliers that have successfully completed the assessments described in Sections C.4, C.5, C.6, C.7 & C.8 are considered Approved Suppliers.
    1. Approved Suppliers are rated within their categories based on the criticality of product provided to Specialty. Specialty's Supplier Quality Assurance, with inputs from Supply Chain and other functions, assesses the Supplier as Approved or Not Approved
        a. Approved- Supplier scoring =43>= total points/total possible= 65%
        b. Not Approved-Suppliers scoring<42= 64%
ii. Depending on the criticality of product, Specialty's Supplier Quality Assurance determines the actions required to qualify a Supplier. These may include:
        a. On-site SPECIALTY CONTAINER Supplier Audit
        b. Process/documentation review
        c. Please see Figure 1 for more details.
        d. Suppliers that have successfully complied with the requirements specified within our acceptable rating are elevated to a Qualified Supplier status.

e. Preferred Supplier
    i. Has a long-term agreement with Specialty Container
    ii. Supplier Performance = 90% consistently for a period of 12 months

C.12. Figure 1: Supplier Approval Process



C.13. Supplier Performance Management Process

a. The Supplier Performance Management Process will evaluate Suppliers in (3) basic performance areas: Quality, Delivery, and Cost/Value. The three parameters (Quality, Delivery and Cost/Value) are the main metrics used in the calculation of monthly Supplier Performance Index and will be an important tool used to develop a continuously improving supply base. This will be monitored by Company Quality System. Suppliers will be given feedback on their performance by Supply Chain and Supplier Quality Assurance on a regular basis.
b. Suppliers may be re-evaluated depending upon products supplied, occurrence of major issues/non-conformances or unsatisfactory performance. In this case, the Supplier's rating shall be re-assessed and Supplier Quality Assurance may conduct a re-qualification based on Figure 1 or may perform an on-site Supplier Quality Audit and process/documentation review.
c. Response is a measure of a Supplier's support to Specialty operations, including its promptness in resolving Supplier Corrective Action Requests (SCAR's), complaints, issues and non-conformances.
    i. **Number of Supplier Corrective Action Requests (SCAR's) per month**: *The number of new/ unresolved SCAR's will be monitored. More than 5 SCAR's per month will result in the Probation of the Supplier's Approved Status. Response within required time.*
    ii. **Number of Stop-Shipments Caused by Non-Conformance***: The number of stop shipments caused by non-conformance will be monitored. More than 3 stop shipments per month will result in the Revocation or Probation of a Supplier's Approved Status.*
    iii. **Customer Support***: This refers to Supplier's willingness to help "Specialty providing prompt and efficient support."*
    iv. **Product Development Cycle**
        1. It is Specialty's intent to involve Suppliers in the product planning cycle as early as possible. There may, however, be unique requirements related to the confidential and competitive stage of our business. It will be the intent of Specialty to clearly identify product specifications and product development cycle milestones from early prototype stages through to job 1 dates for each program.
        2. Where possible, it is preferred that Suppliers have quality and rapid prototyping capabilities that are representative of the intended production processes. Specialty will choose to work with Suppliers who are capable of supporting a comprehensive prototype plan through the development cycle and to the ultimate supply of production volumes.
        3. Production Parts to be manufactured at the production site using production tooling & gauging, processes, materials, trained operators, environment and process controls. Supplier part may require initial approval prior to confirmation prototype build.
        4. Unless otherwise stated on the Specialty Container Purchase Order, the default requirement will be set in the Micrometer form. No product or process changes are to be completed without written approval from Specialty via a Supplier Request-Process/Product Change Approval Form. Unless otherwise agreed upon with Specialty, the test and dimensional samples included in the load should be chosen at the beginning of each shift.
        5. Specifications that are identified as 'critical', 'safety', 'key', or 'significant' and can be evaluated using variable data. This data should be included with the parts set up. The ongoing requirement for these specifications is to maintain a Check every hour. Specialty may audit recent control charts and process capabilities.
        6. If a Supplier cannot achieve capability by the required date, a corrective action plan must be forwarded to Specialty with the new promise dates. If specialty agrees to the action plan submitted, a deviation will be issued to authorize the use of parts prior to completion. All parts built under the deviation must be clearly identified with the deviation number in a manner agreed upon with Specialty.

C.14. Supplier Corrective Action Process

i. A supplier Corrective Action Request (SCAR) will be issued to a Supplier upon the identification of suspected nonconforming material or a production stoppage at Specialty resulting from any Supplier-related cause (i.e. late delivery, missed change incorporation dates, etc.). Each Supplier must supply Specialty with primary and backup contact information, including E-mail address and/or fax number for receiving SCAR's. The fax and E-mail locations must be monitored regularly throughout the business day (Mon-Fri). The SCAR will include a copy of the Nonconforming report and Corrective Action Request Form. All SCAR related communication should take place between the Specialty Supplier Quality Assurance and the Supplier representative.

ii. Upon receipt of a SCAR for a non-conforming material, a Supplier is required to react immediately with the following:

1. Verify concern on-site and initiate immediate containment/quarantine of all suspect material.
2. Review all quality and/or manufacturing records related to the production of the suspect material.
3. Respond to Specialty Supplier Quality Assurance within 24 hrs of receiving notification with preliminary investigation results.
4. Initiate corrective/preventative action analysis. Structured problem-solving investigation should be conducted using a team approach. Investigation results can be forwarded to Specialty in Supplier's format but must include the following: problem description, root cause, immediate containment action, corrective/preventative actions and verification data. The results will be reviewed with Specialty Supplier Quality Assurance within the timeline agreed upon between Specialty and the Supplier. (Note: Permanent corrective action implementation dates must be identified.)
5. Questions related to the SCAR requirements and structured problem solving may be directed to Specialty's Supplier Quality Assurance identified on the SCAR.

C.15. Design and Specification Review

a. Specialty identifies special characteristics (significant or critical) on its documents (specifications, drawings, control plan, etc.). Significant characteristics are identified on all Micrometer Forms, inspection form QC-108 and form R-2.2.

b. For Specialty documents with signification/critical characteristics (specifications, control plan, etc.), Suppliers are required to manage these characteristics by reporting product/process Capability and submitting dimensions/test results for each shipment. A control plan should also be in place to ensure that such special characteristics are met. This requirement does not affect Supplier's responsibility to ensure that other product/ process characteristics are satisfied.

i. To produce parts to specifications per forms: QC-MXX MICROMETERS
ii. QC-107 CONCENTRATE LET DOWN RATES
iii. Inspect parts and Train operators per forms: QC-105 COLOR CHECK and QC-108 OPERATORS INSPECTION
iv. Measure parts per form: QC-114 MICROMETER PROCEDURE OR PER SPECIAL INSTRUCTION ON QC-MXX FORMS
v. Record data on QC-MXX MICROMETER READINGS
vi. MOLDING PRODUCTION REPORT (Must be able to provide for analysis)
vii. SCM-100 END OF RUN REPORT
viii. Box and ship per form R.2.2 CARTON INFORMATION

ACKNOWLEDGMENT

I hereby acknowledge receipt of the Supplier Manual. I realize that I am responsible for reading, understanding, and complying with its contents. I further acknowledge that this Manual supersedes and replaces any inconsistent policies or practices and all prior manuals. I also understand that it is the intent of the Manual to give me some idea as to the policies, which apply to us. I realize that policies and procedures regarding these changes will be available from Specialty Container. Finally, I recognize that no representative of the Company, other than the Director of Operations, has the authority to enter into an express or implied contract. This Manual remains the property of Specialty Container.