

## HEXPOL COMPOUNDING TERMS AND CONDITIONS OF PURCHASE

**1. ACCEPTANCE OF ORDER** - HEXPOL Compounding ("HEXPOL") shall not be bound by this Purchase Order until Seller executes and returns to HEXPOL the acknowledgment copy of this Purchase Order. Seller shall be bound by this Purchase Order and its terms and conditions when it executes and returns the acknowledgment copy, when it otherwise indicates its acceptance of this Purchase Order, when it delivers to HEXPOL any of the items ordered herein or when it renders for HEXPOL any of the services ordered herein. This Purchase Order expressly limits acceptance to the terms and conditions stated herein, and any additional or different terms or conditions proposed by Seller are rejected unless expressly assented to in writing by HEXPOL. No contract shall exist except as hereinabove provided.

**2. AMENDMENTS** - HEXPOL and Seller agree that this order, including the terms and conditions on the face and reverse side hereof together with any documents attached hereto or incorporated herein by reference, contains the complete and final contract between HEXPOL and Seller (this "Purchase Order"); that no agreement or understanding to modify this Purchase Order shall be binding upon HEXPOL unless in writing and signed by HEXPOL's authorized representative. This Purchase Order supersedes completely any oral or written communications unless the terms thereof are expressly incorporated herein. All specifications and data submitted to Seller with this Purchase Order or referred to by this Purchase Order are hereby incorporated herein and made a part of this order. Where Seller's quotation is referred to herein, such quotation is incorporated in this Purchase Order only to the extent of specifying the nature or description of the goods ordered, and then only to the extent such items are consistent with the other terms herein.

**3. SHIPPING NOTICES; SELLER'S INVOICES; PACKING** - The shipping notice must be mailed on the date of shipment to HEXPOL's headquarters. Goods arriving without proper notices having been received will be held until the desired information is furnished, and all demurrage thus accruing shall be for Seller's account. Freight Bills, Bills of Lading, Quality Reports, and Invoice Packing Slips must show our Code Number, Purchase Order Number, Requisition Number, item description, shipping point, destination, whether the freight is prepaid or collect, the terms of payment and net weight. Transportation Charges on invoice must be supported by paid transportation bills. **DO NOT INSURE PARCEL POST SHIPMENTS OR DECLARE EXCESS VALUATION ON EXPRESS FOR OUR ACCOUNT.** Invoices not rendered in accordance with instructions will be returned and the discount date will be based upon the date the corrected invoice is received by HEXPOL. All goods shall be suitably packed in a manner to insure receipt in good condition. HEXPOL's Code Number, Purchase Order Number and net weight must be stenciled on top and sides of drums and on ends or sides of bags. No charge for packing shall be made unless agreed to in writing by HEXPOL.

**4. DISCOUNT POLICY** - Discount period shall commence on the later of the: (i) invoice date, or (ii) date invoice received by HEXPOL.

**5. CARRIERS AND ROUTING** - HEXPOL reserves the right to designate the carrier and routing. All goods shall be forwarded in accordance with HEXPOL's instructions, or in the absence of such instructions by the route generating the lowest transportation charge. When usual terms of tariffs or transportation agreements involving carriage via water do not include insurance, shipments must be forwarded properly insured. When terms of delivery are "prepaid by supplier", Seller is to charge HEXPOL freight on its invoice. When terms are "collect", HEXPOL will pay freight to carrier on a separate freight bill. When terms are "delivered price", material costs include freight costs. All shipping rates charged to HEXPOL shall be the lowest available rates, taking into account all available discounts.

**6. ADDITIONAL CHARGES** - No additional charges of any kind will be allowed unless arranged for and agreed to in writing by HEXPOL at the time of purchase.

**7. MODIFICATION OF TERMS** - This Purchase Order is expressly subject to, and Seller's acceptance is expressly conditioned upon, Seller's assent to each and all of the terms and conditions contained on the face and reverse side hereof. No addition to or modification of the terms and conditions hereof shall be binding upon HEXPOL and no goods shall be substituted for those specified herein except upon the written consent or instructions of HEXPOL. Where Seller's quotation, acknowledgement, invoice or other correspondence contains terms or conditions contrary to or in addition to HEXPOL's terms and conditions, such contrary or additional terms are hereby refused and rejected (and without any requirement of further notice of such refusal and rejection) and neither acceptance by HEXPOL of the goods nor payment therefor shall constitute a waiver by HEXPOL of any of the terms and conditions contained herein or assent to any other conditions. Reference to Seller's bids or proposals, if noted on this Purchase Order, shall not affect the terms and conditions hereof unless specifically provided to the contrary herein.

**8. CHANGES** - HEXPOL reserves the right at any time to make written changes in any one or more of the following: (a) specifications and data incorporated in this Purchase Order; (b) methods of shipment or packing; (c) place of delivery; (d) time of delivery; (e) manner of delivery; and (f) quantities. If any such change causes an increase or decrease in the cost of, or the time required for, performance of this Purchase Order, Seller shall be entitled to claim an equitable adjustment in the price or delivery schedule, or both. Any claim for adjustment under this article shall be deemed waived unless asserted within twenty (20) days from the date of receipt by Seller of the change order; provided, however, that HEXPOL, if it decides in its sole discretion that the facts justify such action, may receive and act upon any such claim submitted at any time prior to final payment under this Purchase Order. Any claim by Seller for adjustment under this Article must be approved by HEXPOL in writing before Seller proceeds with such change. Price increases shall not be binding on HEXPOL unless evidenced by a Purchase Order change notice or revision issued and signed by HEXPOL's authorized representative.

**9. NON-CONFORMING GOODS** - All goods received shall be subject to HEXPOL's right of inspection and rejection. HEXPOL may (but is not required to) inspect the goods at Seller's premises, prior to shipment, upon reasonable notice to Seller. HEXPOL shall have a reasonable time within which to inspect the goods and shall not be obligated to inspect goods purchased as inventory or for future use until the same are to be used by HEXPOL. Excess or defective goods or goods not in accordance with HEXPOL's specifications will be held for a reasonable period of time for disposition in accordance with Seller's instructions at Seller's risk and expense and, if Seller directs, will be returned at Seller's expense. Returned goods may be replaced by Seller in accordance with HEXPOL's written instructions. If inspection discloses that a portion of the goods received are not in accordance with the specifications or descriptions thereof, HEXPOL shall have the right to cancel any unshipped portion of this Purchase Order. Payment for goods furnished pursuant to this Purchase Order shall not constitute acceptance thereof by HEXPOL and such payments shall be deemed to have been made without prejudice to any and all claims HEXPOL may have against Seller. The remedies hereinabove provided to HEXPOL are not exclusive and are in addition to all other remedies available to HEXPOL pursuant to law, this Purchase Order or otherwise.

**10. WARRANTY** - In addition to any other warranties of Seller described herein, Seller expressly warrants that all goods and services covered by this Purchase Order will conform to the specifications, instructions, samples or other description furnished or adopted by HEXPOL, if any, will be merchantable, fit and sufficient for the purpose intended, including any special requirements of HEXPOL which have been disclosed to Seller,

and shall be free from defects, whether latent or patent, in material and workmanship and will comply with all requirements of the Occupational Safety and Health Act of 1970 as it may be amended from time to time including all regulations issued thereunder and shall comply with all requirements of all applicable health and/or safety statutes of federal, state, or local governments having jurisdiction in the location to which such goods are shipped or in which such work is performed. All warranties shall run to HEXPOL, its successors, assigns, and customers and to the users of its product and shall be construed as conditions as well as warranties. Such warranties and the remedies provided herein shall not be deemed waived either by reason of acceptance of, payment for, use or consumption of the goods and shall be in addition to those implied by or available at law.

**11. DELAYS; FORCE MAJEURE** - Time is of the essence in the performance of this Purchase Order, delivery must be one-hundred percent (100%) on time and in accordance with the shipment and delivery date(s) specified in this Purchase Order. However, Seller shall not be liable for delays in manufacture or delivery of goods and HEXPOL shall not be liable to accept any part of such goods to the extent that such delays are due to causes beyond the reasonable control of the party (HEXPOL or Seller) affected thereby, such as acts of God, acts of civil or military authorities, governmental priorities, fires, strikes, lockouts, floods, epidemics, war, riot, or a contingency the non-occurrence of which was a basic assumption on which this Purchase Order was made, provided that the party affected thereby promptly notifies the other party of such event and uses its best efforts to remedy the situation, and, provided further, that in the case of any such event affecting Seller, Seller shall allocate all available production, inventories and deliveries to HEXPOL.

**12. COMPLIANCE WITH LAWS** - Seller represents and warrants that it has and shall comply with all Federal, state and local laws and ordinances and all regulations of any public authority. Without limiting the generality of the foregoing, each of Seller's invoices shall bear the following statement: "WE HEREBY CERTIFY THAT THESE GOODS AND/OR SERVICES WERE PRODUCED AND/OR PERFORMED IN COMPLIANCE WITH ALL APPLICABLE REQUIREMENTS OF THE FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED, AND OF REGULATIONS AND ORDERS OF THE ADMINISTRATOR OF THE WAGE AND HOUR DIVISION ISSUED UNDER SECTION 14 THEREOF."

**13. EXECUTIVE ORDERS** - Seller agrees that the representations and provisions required by Executive Order 11246, as amended by Executive Order 11375 (Equal Opportunity), Executive Order 11625 (Minority Business Enterprises), Executive Order 11701 (Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era), and Executive Order 11758 (Employment of the Handicapped) are hereby incorporated into and made a part of this Purchase Order.

**14. INDEMNIFICATION** - Seller further agrees to indemnify and save HEXPOL harmless from any and all losses, liabilities, damages, claims, demands, suits, actions, proceedings, subrogations and expenses, including court costs and reasonable attorney fees, related in any way to this Purchase Order, or the services performed or items delivered under this Purchase Order, which are claimed or made by any person, firm, association or corporation, including employees, workers, servants or agents of Seller and its subcontractors arising from any cause or for any reason whatsoever. Seller further agrees, upon receipt of notification, to promptly assume full responsibility for the defense of any and all such suits, actions, or proceedings which may be brought against Seller or against HEXPOL. In the event HEXPOL's machinery or equipment is used by Seller in the performance of any work that might be required under this Purchase Order, such machinery or equipment shall be considered as being under the sole custody and control of Seller during the period of such use by Seller. Seller expressly agrees that it may be joined as an additional or third-party defendant, and may be held liable for damages, contribution or indemnity, in any action at law or otherwise, in which the employee or employees of HEXPOL or any other person, their heirs, assigns or anyone otherwise entitled to receive damages by reason of injury or death, brings an action against HEXPOL in respect thereof, and expressly waives any provision of any workers' compensation laws whereby Seller could otherwise preclude its joinder or avoid liability for such damages, contribution or indemnity.

**15. INSURANCE** - If this Purchase Order covers the performance of labor for HEXPOL, Seller agrees to indemnify and protect HEXPOL against all liability, claims or demands for injuries or damages to any person or property growing out of the performance of this Purchase Order. Seller further agrees to furnish, upon HEXPOL's request, an Insurance Carrier's Certificate showing that Seller has and will maintain adequate insurance coverage during the life of this Purchase Order in the following minimum amounts:

(a) Worker's Compensation. Statutory limits for state(s) in which the work is to be performed.

(b) Comprehensive General Liability, including Contractual Liability; Completed Operations/Products; Broad Form Property Damage; and Contractor's Protective Liability, if subcontractors are used. Minimum limits Personal Injury, including death and Property Damage \$250,000 each occurrence, \$500,000 aggregate.

(c) Automobile Liability, including Owned, Hired and Non-owned vehicles. Minimum limits-Bodily Injury \$250,000 each person, \$500,000 each occurrence and Property Damage \$250,000 each occurrence.

Said certificate must set forth the name of insurer, policy number, expiration date, limits of liability and an Article providing for at least ten (10) days written notice of cancellation. If Seller is a self-insurer, the Certificate of the Department of Labor and Industry of the State in which said labor is to be performed must be furnished by such Department directly to HEXPOL. Compliance by Seller with insurance requirements does not in any way affect Seller's indemnification of HEXPOL under Article 15 above.

**16. PROPRIETARY RIGHTS** - Seller shall indemnify, save harmless and defend HEXPOL from and against any and all claims, demands, suits, actions, legal proceedings, judgments, decrees, awards, damages, royalties, costs including reasonable attorneys' fees and any other expenses arising from: (a) the infringement or alleged infringement of any United States or foreign patent by the goods furnished hereunder, or by the normally intended use or mode of operation of the goods so furnished, (b) any unfair competition or alleged unfair competition resulting from any similarity of design or appearance of, or trademark on, the goods furnished hereunder, and (c) the unauthorized use or alleged unauthorized use of any trade secrets, proprietary know-how or other proprietary rights incorporated in the goods furnished hereunder, necessary or appropriate for the use of the goods furnished hereunder in their normally intended manner or mode of operation, or otherwise related to the furnishing of any goods or services hereunder. HEXPOL may be represented in any such suits, actions or legal proceedings by counsel of its own selection.

**17. LIENS AND CLAIMS** - All goods hereunder shall be delivered free of all liens, claims and encumbrances. Seller shall pay or promptly resolve all claims and demands for all labor performed and for machinery, fuel or any other material or equipment furnished in the performance of the work contemplated by this Purchase Order and shall fully protect and indemnify HEXPOL against all such claims and against any and all claims or debts on account of which liens might be obtained. Seller also shall indemnify HEXPOL against



court costs and attorneys' fees incurred or sustained by HEXPOL by reason of any such claims, debts or liens. HEXPOL reserves the right to satisfy and obtain the release of any liens filed against the property of HEXPOL as a result of work performed or goods furnished by Seller hereunder, and in such cases to use sums otherwise payable by HEXPOL to Seller hereunder.

18. **SETOFF** - HEXPOL shall have the right to credit toward the payment of any monies that may become due Seller hereunder any amounts which may now or hereafter be owed to HEXPOL by Seller.

19. **CONFIDENTIALITY** - All information furnished or made available by HEXPOL to Seller or to Seller's employees or subcontractors in connection with the items or services covered by this Purchase Order shall be treated as confidential and shall not be disclosed by Seller, its employees and subcontractors to any third party either in whole or in part, without HEXPOL's prior written consent. To the extent the goods subject to this Purchase Order are custom-made goods, Seller agrees that all designs, drawings, processes, compositions of material, specifications, software, mask works or other technical information made or furnished by Seller in connection with the items or services covered by this Purchase Order, including all rights thereto, shall be the sole and exclusive property of HEXPOL, free from any restriction, and Seller shall protect same against unauthorized disclosure to or use by any third party. Seller agrees that, as to all inventions and improvements in such designs, drawings, processes, compositions of material, specifications, software, mask works or other technical information made or furnished by Seller in connection with the items or services covered by this Purchase Order, Seller will promptly identify and disclose such inventions or improvements to HEXPOL and execute or obtain the execution of any papers as may be necessary to perfect ownership of the inventions or improvements in HEXPOL or as may be necessary in the obtaining, maintenance, or enforcement by HEXPOL of any patent, trademark, copyright, trade secret, mask work right or other proprietary right pertaining to the inventions or improvements. The confidentiality provisions and the obligations of this paragraph shall survive termination or completion of this Purchase Order.

20. **ASSIGNMENT** - Seller shall not assign, whether by assignment, subcontract, merger, reorganization, operation of law (all of which shall be deemed to be an "assignment") or otherwise this Purchase Order or any interest herein or any payment due or to become due hereunder without the written consent of HEXPOL. Any such actual or attempted assignment without HEXPOL's written consent shall constitute a breach by Seller and shall entitle HEXPOL to terminate this Purchase Order without further liability hereunder and to withhold payment until HEXPOL has determined to whom such funds are payable and that HEXPOL is fully protected from any conflicting claims of Seller, Seller's assignee or any third party and from any loss or expense in connection therewith. To the extent that HEXPOL may assert any counterclaim or set-off against Seller, HEXPOL may assert such counterclaim or set-off against any of Seller's assignees, whether or not such counterclaim or set-off arose under or with respect to this Purchase Order.

21. **CANCELLATION** - HEXPOL shall have the right to cancel for default all or any part of the undelivered portion of this Purchase Order if Seller fails to make reasonable progress towards completion of this Purchase Order at the times specified, if Seller does not make deliveries as specified in the delivery schedule, if Seller breaches any of the terms hereof including warranties of Seller, if Seller makes an arrangement, extension or assignment for the benefit of creditors, if Seller dissolves or otherwise ceases to exist or liquidates all or substantially all of its assets, if Seller becomes insolvent or if Seller generally does not pay its debts as they become due. If this Purchase Order is canceled for default, HEXPOL may require Seller to transfer title and deliver to HEXPOL any (1) completed items, and (2) partially completed items and materials, information and contract rights that Seller has specifically produced or acquired for the terminated portion of this Purchase Order. Upon direction of HEXPOL, Seller shall also protect and preserve property in its possession in which HEXPOL has an interest. The rights and remedies of HEXPOL set forth in this Article are in addition to, and not in lieu of, any other remedies which HEXPOL may have in law or equity or pursuant to other Articles of this Purchase Order. If, after cancellation pursuant to this Article, it is determined by a court of competent jurisdiction, or otherwise, that Seller was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued pursuant to Article 22 hereof.

22. **TERMINATION** - HEXPOL may terminate this Purchase Order or any part hereof for any reason at HEXPOL's convenience upon written notice to Seller. Upon such termination Seller agrees to waive all claims for damages, including those for loss of anticipated profits, and to accept as its sole remedy for termination the value of all work performed prior to the termination and reasonable costs occasioned by termination; provided, however, that HEXPOL shall have no liability whatsoever for goods which are Seller's standard stock. No such termination shall relieve Seller of any of its obligations for any goods delivered hereunder prior to such termination. Any claim for adjustment must be asserted within thirty (30) days from the date when the termination was ordered.

23. **GOVERNMENT CONTRACT** - If a government contract number is noted on the face of this Purchase Order, the provisions of HEXPOL's Form Number 3031 covering Defense Acquisition Regulations (DAR) will apply and are incorporated herein by reference.

24. **TIME AND MATERIAL WORK** - Where the purchase price hereunder is to be determined by Seller's time or cost of materials, or otherwise from records to be maintained by Seller, Seller will retain all records necessary for such determination for a period of at least two (2) years after the completion of this Purchase Order and will permit HEXPOL access thereto at all reasonable times for the purposes of audit.

25. **ADVERTISING** - Seller may not, without written consent of HEXPOL, advertise or publish, in any manner, the fact that Seller has furnished or contracted to furnish the goods or services specified herein.

26. **WAIVER** - The failure of HEXPOL to insist, in any one or more instances upon the performance of any of the terms, covenants or conditions of this Purchase Order or to exercise any right hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants or conditions or the future exercise of such right, but the obligation of Seller with respect to such future performance shall continue in full force and effect.

27. **SEVERABILITY** - The provisions of this Purchase Order are severable. If any provision of this Purchase Order is held to be unenforceable, then such provision will be stricken from this Purchase Order and the remainder of this Purchase Order will remain in full force and effect.

28. **DISPUTE RESOLUTION** - In the event of a dispute between the parties arising out of or related to this Purchase Order which solely concerns monetary damages or money due, the parties agree that a meeting shall be held promptly attended by representatives of each party having decision-making authority regarding the dispute to attempt in good faith to negotiate a resolution of the dispute. If within thirty (30) days after such meeting the parties have not succeeded in negotiating a resolution of the dispute, the parties shall use their best efforts to select an alternative dispute resolution procedure ("ADR"), such as a "mini trial" or mediation, to resolve the dispute. If the parties are unable to agree upon a form of ADR within fifteen (15) days after the thirty (30) day negotiation period, then either party may pursue other available remedies upon seven (7) days written notice to the other party of its intent to do so. If the parties are able to agree upon a form of ADR, they shall pursue its implementation in good faith and in a timely manner. In the event the ADR does not result in a resolution of the dispute, then either party may pursue other available remedies upon seven (7) days written notice to the other party specifying its intended course of action.

29. **GOVERNING LAW** - This agreement shall be governed, interpreted and construed by, and in accordance with, the laws of the State of Ohio, including the provisions of the Ohio Uniform Commercial Code, without regard to principles of conflict of laws. Seller agrees to submit to the jurisdiction of any court wherein an action is commenced against HEXPOL based on a claim for which Seller has agreed to indemnify HEXPOL under this agreement.

30. **TAXES** - Seller shall pay all taxes applicable to this transaction unless shown separately on the face of this Purchase Order.