

LANXESS - CONDITIONS OF SALE

1. AGREEMENT

- 1.1 The conditions of the sales agreement ("AGREEMENT") shall supersede any conflicting terms in these Conditions. If BUYER and SELLER have not entered into a written sales agreement, these conditions of sale shall constitute the AGREEMENT. Terms defined herein are capitalized. Except as otherwise specified in this AGREEMENT, no other conditions shall be applicable to this AGREEMENT or otherwise accepted by SELLER. All other terms and conditions are hereby expressly rejected. SELLER'S acceptance of BUYER'S offer to purchase or BUYER'S purchase order is expressly made conditional on BUYER'S assent to SELLER'S terms and conditions as set forth herein and the rejection of any other terms.
- 1.2 Acceptance by BUYER of PRODUCT(S) or payment for same shall constitute unequivocal acceptance of the terms and conditions contained herein. None of any past practice, industry standards, course of dealing or usage of trade shall constitute a modification of any term or condition contained herein, nor shall same add any term not contained herein.

2. DELIVERY

- 2.1 BUYER will provide to SELLER written, detailed shipping instructions within a reasonable time prior to shipment. BUYER will be responsible for any increased costs or delays in delivery resulting from BUYER'S failure to supply such instructions in a timely manner.
- 2.2 BUYER may not withhold payment in the event of delay caused by BUYER.
- 2.3 Unless otherwise agreed, SELLER shall not be required to deliver in any month more than the monthly QUANTITY specified, or if no monthly QUANTITY is specified, more than the monthly pro rata amount of the annual QUANTITY specified.
- 2.4 All shipments of PRODUCT(S) shall be made EXW (as defined by Incoterms 2010), unless otherwise stated in this AGREEMENT.
- 2.5 All specified delivery dates refer to the completion of manufacture and availability for shipment of PRODUCT(S) and are SELLER'S best estimates. SELLER reserves the right to modify the delivery dates with notice to BUYER.
- 2.6 Title shall pass to BUYER upon delivery to carrier.
- 2.7 In the event BUYER is unable to take delivery of any shipment or refuses delivery of a scheduled shipment, SELLER will store the shipment at BUYER'S sole risk and expense and payment for such delayed shipment shall immediately become due.
- 2.8 BUYER warrants there will be no diversion of any shipment that is a) contrary to any applicable law; b) for resale and/or transfer to any party not a party to this AGREEMENT unless approved in writing by SELLER; or c) for shipment or use outside of the U.S., unless approved by SELLER in writing, and if so approved, BUYER warrants it will comply with all applicable laws, restrictions and regulations.
- 2.9 In instances of bulk carload, tank truck or tank car shipments, shipper's weights, certified to by sworn weighmaster, shall govern. Unless otherwise specified, PACKING shall be Seller's standard packing.
- 2.10 If SELLER'S railcars are utilized, BUYER shall use railcars only for transport of PRODUCT(S) from SELLER to BUYER'S facilities and/or transfer and discharge of PRODUCT(S) at BUYER'S facilities ("DESTINATION"). BUYER is allowed maximum free time of fifteen (15) consecutive days for each railcar following the first 7:00 a.m. after the agreed to and scheduled date of arrival of the loaded railcar at the DESTINATION ("MFT"). Unless there is a delay caused by SELLER, BUYER will pay SELLER a daily rental charge per railcar of \$35 for each full day in excess of MFT until BUYER returns the railcar to the railroad. Such charge will be in addition to any demurrage charge levied by any third Party transportation company such as, but not limited to, railroad railcar storage charge. Payment will be due and payable upon receipt of an invoice specifying such car, period and charges. BUYER agrees to deliver the railcars in a safe condition, in good repair, in the same condition as when first received, and completely evacuated. BUYER shall return every railcar to the railroad at Destination or to reasonable location(s) designated in writing by SELLER. BUYER shall report to SELLER promptly in writing all loss or damage that may be sustained by any railcar or its tanks. BUYER shall visually inspect the railcars' exterior(s) before return. BUYER is not responsible for any damages to railcars unless such damage results from BUYER'S fault, willful misconduct or gross negligence. If BUYER is responsible, all railcar repair shall be for BUYER'S account. BUYER will facilitate such repairs upon mutual agreement. BUYER agrees that in the event any railcar is ordered by BUYER to be loaded at less than a volume of 180,000 pounds, BUYER shall be required to pay deadfreight at the actual rate charged by the carrier.

3. FORCE MAJEURE

- 3.1 Neither party shall be held responsible for any loss, damage, delay or lack of delivery arising from fire; strikes, lockouts, injunction or other labor troubles; governmental intervention; war; riots; acts of terrorism; explosion; weather; flood; acts of God or nature; inability to obtain on terms acceptable to SELLER or a shortage of, fuel, power, raw materials, labor, containers or transportation; accident; breakage of machinery or other apparatus; disruption of normal supplier channels of distribution; or any other act or force beyond the affected party's reasonable control.
- 3.2 BUYER may cancel, without liability, deliveries suspended for at least thirty (30) days by SELLER for reasons stated in the previous section, but the AGREEMENT shall otherwise remain in effect.
- 3.3 SELLER reserves the right to allocate and fairly apportion PRODUCT(S) among its internal and external customers during force majeure events in any manner SELLER, in its sole discretion, deems appropriate.
- 3.4 SELLER shall have no obligation to acquire by purchase or otherwise any PRODUCT(S) that SELLER is unable to supply to BUYER due to force majeure events.

4. WARRANTY

- 4.1 SELLER warrants PRODUCT(S) will conform only to SELLER'S standard specifications for same, unless otherwise agreed to herein. This warranty applies only to the original purchaser of the PRODUCT(S).
- 4.2 BUYER shall inspect all PRODUCT(S) for conformance to this warranty. BUYER shall notify SELLER of any non-conformance no later than the earlier of a) thirty (30) days from date of shipment by SELLER; or b) the date of use of the PRODUCT(S) by BUYER.
- 4.3 BUYER'S sole remedy and SELLER'S sole liability for claims of breach of warranty shall be SELLER'S choice of either a) replacement by SELLER of conforming for non-conforming PRODUCT(S); or b) refund of monies paid by BUYER to SELLER for the non-conforming PRODUCT(S).
- 4.4 SELLER assumes no liability for any errors that are caused by the inaccuracy or incompleteness of BUYER-supplied data.
- 4.5 SELLER shall have the opportunity to inspect all PRODUCT(S) that BUYER claims are non-conforming. BUYER shall hold, at no cost to SELLER, the PRODUCT(S) pending such inspection. The conditions of any test of the PRODUCT(S) for conformance with any specification shall be mutually agreed upon and SELLER shall be notified of, and may be represented at, all tests that may be made by or for BUYER.
- 4.6 BUYER assumes all risk for misuse of the PRODUCT(S).
- 4.7 **THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, STATUTORY OR OTHERWISE, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT WHICH ARE EXPRESSLY DISCLAIMED.**

5. TERMINATION FOR CAUSE

A party will have the right to terminate this Agreement in the event (a) of any material breach of this Agreement by the other party that goes uncorrected for a period of 30 days after notice of such breach, setting forth the details with reasonable particularity, (b) of the institution by or against the other party of voluntary or involuntary proceedings in bankruptcy or under any insolvency law or law for the relief of debtors, or (c) the other party passes a resolution for winding up its business (other than for the purpose of amalgamation or restructuring).

6. LIMITATION OF LIABILITY

- 6.1 NOTWITHSTANDING ANY PROVISION IN THIS AGREEMENT OR ELSEWHERE TO THE CONTRARY: A) SELLER'S MAXIMUM LIABILITY HEREUNDER AT ANY TIME FOR ANY CAUSE WHATSOEVER SHALL NOT EXCEED THE PRICE PAID FOR THE PRODUCT(S) AT ISSUE; AND B) SELLER SHALL NOT BE LIABLE FOR ANY PUNITIVE, SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND OR NATURE, ARISING AT ANY TIME, FROM ANY CAUSE WHATSOEVER, INCLUDING LOSS OF REVENUE OR PROFIT.
- 6.2 These limitations of liability shall apply notwithstanding any finding that any remedy fails its essential purpose.

7. LAWS

This AGREEMENT shall be construed, interpreted and controlled by the laws of the Commonwealth of Pennsylvania, and all claims arising out of or related to the parties' relationship created by this AGREEMENT, whether in contract, tort or otherwise, shall be governed and decided pursuant to the laws of the Commonwealth of Pennsylvania, including Pennsylvania's statutes of limitations but not including its choice of laws rules. BUYER agrees to subject itself to the courts of said jurisdiction and that such venue shall be exclusive regarding disputes arising out of this AGREEMENT.

8. PRICES; PAYMENT TERMS

- 8.1 Unless otherwise stated herein, PAYMENT TERMS shall be Net 30 Days from the date of SELLER'S invoice, and payments shall be made in U. S. dollars. All PRICES shown are exclusive of any applicable tax. Any tax that SELLER is required to collect pursuant to the sale of PRODUCT(S) hereunder shall be in addition to the PRICE and shall be entirely for BUYER'S account. Invoices not paid when due will bear interest at a rate equal to one and one-half percent per month, or the maximum rate permitted by law, whichever is less, plus applicable penalties.
- 8.2 Notwithstanding any other provision in this AGREEMENT or elsewhere to the contrary, SELLER may revise the PRICE, PAYMENT TERMS or SHIPPING TERMS by written notice dispatched not less than thirty (30) days prior to the effective date of such change. In addition, if in the sole judgment of SELLER, BUYER'S financial ability to perform hereunder is altered or impaired, SELLER reserves the right, among any other right or remedy, to change immediately and without any prior notice, PAYMENT TERMS, require full or partial advance payment, stop shipment of any PRODUCTS in transit, or to cancel any outstanding order, without liability.

- 8.3 Any discount or rebate provided for in this AGREEMENT shall be accounted for exclusively on the basis of sales made to BUYER.
- 8.4 Notwithstanding any other provision in this AGREEMENT or elsewhere to the contrary, SELLER shall have the unilateral right to pass on to BUYER all fuel, freight, energy and/or similar surcharges.
- 8.5 All PRICES in this AGREEMENT are exclusively for PRODUCTS sold directly to BUYER or BUYER'S agent by SELLER.
- 8.6 SELLER shall retain a purchase money security interest in the PRODUCT(S) sold hereunder until all payments (including deferred payments, whether evidenced by notes or otherwise) shall have been received in full by SELLER and, if requested in writing to do so, BUYER agrees to do all acts necessary to perfect and maintain such security interest in SELLER.

9. PROPRIETARY INFORMATION

- 9.1 Any information disclosed by SELLER to BUYER incident to the performance of this AGREEMENT, including but not limited to information related to pricing, volumes or the financial terms of this AGREEMENT and the existence of the AGREEMENT itself is disclosed in confidence for the sole and exclusive use of BUYER. BUYER shall not publish or otherwise disclose such information to others without the express written consent of SELLER.
- 9.2 Nothing herein shall limit the BUYER'S right to disclose any information provided by the SELLER hereunder which a) was furnished by the SELLER prior to this AGREEMENT without restriction; b) legitimately becomes knowledge available within the public domain; or c) is received by BUYER from a third party without restriction and without breach of this or any other AGREEMENT.
- 9.3 In the absence of a signed agreement to the contrary, no information disclosed by BUYER to SELLER shall be considered confidential.
- 9.4 BUYER agrees not to analyze or have a third party analyze any PRODUCT(S) for chemical composition or content.

10. AUTHORIZED MOLDERS

AUTHORIZED MOLDER shall be defined as a third party entity designated solely by BUYER as authorized to purchase PRODUCT(S) from SELLER during the TERM, by and on behalf of BUYER pursuant to the Conditions of Sale set forth herein. If SELLER, in its sole judgment, elects to sell PRODUCT(S) to an AUTHORIZED MOLDER, BUYER agrees to enter into a written agreement with such AUTHORIZED MOLDER that obligates AUTHORIZED MOLDER to (i) be bound by and comply with the Conditions of Sale set forth herein; and (ii) to use PRODUCT(S) purchased by AUTHORIZED MOLDER hereunder solely for the manufacture of products/components for BUYER. At SELLER'S request, BUYER shall provide SELLER with a copy of such written agreement. All AUTHORIZED MOLDERS must be listed on an ATTACHMENT attached hereto. Such list may be revised by BUYER from time to time by written notice to SELLER.

11. ADDITIONAL TERMS

- 11.1 This AGREEMENT may not be assigned by either party to any other party without the prior written consent of the other party hereto; provided, however, that (a) SELLER may assign its rights and obligations hereunder to any AFFILIATE of SELLER by written notice to BUYER; and (b) SELLER may assign its rights and obligations hereunder, by written notice to BUYER, to a third party successor or transferee (whether by merger, consolidation, purchase or otherwise) of either (1) all or substantially all of the assets of SELLER or (2) all or substantially all of the assets of the particular business unit of SELLER identified on page one of this AGREEMENT. "AFFILIATE" shall mean, with respect to a party, any individual, corporation or other business entity that, either directly or indirectly, controls such party, is controlled by such party, or is under common control with such party. "Control" means possession of the power to direct, or cause the direction of the management and policies of a corporation or other entity whether through the ownership of voting securities, by contract or otherwise.
- 11.2 All notices and other communications required or permitted to be given under this Agreement will be in writing and (i) delivered (A) by hand, (B) by prepaid first-class registered or certified mail (or the equivalent in the country of mailing) or (C) by recognized overnight/express air courier service, or (ii) transmitted by fax (with written confirmation of delivery), to the applicable party at the address designated on page 1 of this AGREEMENT or to such other address as will be designated by such party in a written notice to the other party. Notice given hereunder will be deemed given (i) on delivery if given in person or by recognized overnight/express air courier service, (ii) four business days after being deposited in the mails, or (iii) on the date of transmission if sent by fax (with written confirmation of delivery).
- 11.3 Return of PRODUCT for any reason whatsoever shall require prior written approval of SELLER, unless otherwise agreed to herein by SELLER.
- 11.4 BUYER warrants that no PRODUCT or part of any PRODUCT shall be utilized in any type of a) nuclear use whatsoever; b) weapons systems or other similar military use; c) medical, food processing or FDA regulated use; or (d) government end product unless otherwise agreed to herein by SELLER. If substances in the PRODUCT are to be registered and authorized pursuant to the Regulation No. 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH") or any other applicable law or regulation providing for registration or authorization requirements, BUYER undertakes to use the PRODUCT only within, and in compliance with, such registration and/or authorization, e. g., under the strictly controlled conditions as required for on-site isolated intermediates or transported isolated intermediates. This obligation is without prejudice, however, to BUYER'S statutory rights to request, or to act towards, an extension of the registration or authorization, e. g., under Art. 37 (2) REACH. If such a request or action initiates any obligation on SELLER under REACH, BUYER will reimburse to SELLER all proven expenses.
- 11.5 BUYER represents and warrants that a) it understands the nature and characteristics of the PRODUCT(S) and any hazards associated with its use; b) it will adequately instruct and warn all persons, including all third parties, who may come in contact with, or be in the vicinity of, the PRODUCT(S) in the proper safe use and handling of the PRODUCT(S); c) it is not relying upon any representation, statement or other assertion made by SELLER or its representatives or agents, with respect to the suitability of the PRODUCT(S) for any purpose and that BUYER has made its own independent inquiry and testing and has formed an independent opinion concerning the suitability of the PRODUCT(S) for the end use, conversion or application intended; and d) it will not assert any claim against SELLER or hold SELLER liable, with respect to any information, testing or design furnished, or failure to be furnished, by SELLER, including, without limitation, technical advice or recommendations. SELLER assumes no obligation or liability for any technical assistance rendered incident to this AGREEMENT. Appropriate literature has been assembled which provides information concerning the health and safety precautions that must be observed when handling PRODUCTS. Before working with PRODUCTS, BUYER must read and become familiar with the available information on PRODUCT hazards, proper use, and handling. This cannot be overemphasized. Information is available in several forms. Consult SELLER representative for additional information.
- 11.6 BUYER acknowledges that PRODUCT(S) are commercially available off-the-shelf items ("COTS") sold pursuant to SELLER'S commercial terms and that PRODUCT(S) may not meet applicable government procurement requirements. BUYER also acknowledges that SELLER may not be able to provide information required by government procurement regulations. SELLER shall have no liability whatsoever with respect to any requirements relating to, or arising from, any government procurement regulations, unless first expressly agreed to in writing, signed by an authorized representative of SELLER.
- 11.7 No type of contractual obligation between BUYER and its customer(s) shall be applicable to, or create any liability with respect to, SELLER, whether via "pass-through", "flow-down", or otherwise, except as may be expressly and specifically agreed and incorporated, and BUYER shall not otherwise represent to its customer(s) such purported SELLER liability.
- 11.8 The rights and obligations under Articles 4, 6, 7, 9 and 11 herein shall survive the cancellation, termination or expiration of this AGREEMENT.
- 11.9 Should any part of this AGREEMENT be deemed invalid by a court of law, it shall not constitute an invalidation of any other part of this AGREEMENT, which shall otherwise remain in effect.
- 11.10 Failure of SELLER to effect, or any delay by SELLER to effect, any available right or remedy shall not be construed to operate as a waiver of same.
- 11.11 Except as otherwise expressly provided, this AGREEMENT supersedes all prior agreements, understandings or otherwise, whether oral or written, between BUYER and SELLER concerning the subject matter of this AGREEMENT.
- 11.12 BUYER and SELLER expressly agree and acknowledge that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this AGREEMENT.
- 11.13 SELLER'S acceptance of a) payment; or b) specially endorsed checks shall not waive or limit any right or remedy of SELLER.
- 11.14 Nothing contained herein is intended nor shall be construed as creating a partnership, joint venture, agency, distributorship or any other relationship except buyer and seller. All headings herein are for reference only.
- 11.15 This AGREEMENT shall be binding upon and inure to the benefit of the parties and their respective legal representatives, successors and permitted assigns.
- 11.16 This AGREEMENT may be executed in one or more counterparts, including by facsimile or PDF signature, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

12. COMPLIANCE WITH LAW

- 12.1 Each party will comply with all applicable laws and regulations including, without limitation, all applicable antitrust, export control, weapons control, government sanctions, anti-boycott, money laundering and anti-bribery laws and regulations of the United States of America and the countries and/or jurisdictions in which BUYER and SELLER are established or conduct business, or in which Products, technology, software or services related to this Agreement ("Goods") may be supplied to or from.
- 12.2 In complying with applicable anti-bribery laws, each party agrees that it and its directors, officers, employees and agents will not pay or give or attempt or promise to pay or give anything of value, either directly or indirectly through anyone else, to an official of a government, officer of a political party, or candidate for political office or any other party, for the purpose of influencing an act or decision of that person in his official capacity, or inducing him to use his influence with the government, or securing any improper advantage to assist SELLER or any other party in obtaining or retaining business for or with, or directing business to, or providing some other economic benefit to, SELLER or any other party.
- 12.3 BUYER will ensure that any Goods that BUYER purchases or receives from SELLER under this Agreement will not be received, imported, exported, re-exported, transferred, sold or used except in compliance with: (i) all applicable import, export control and sanctions laws, regulations, orders and requirements, as they may be amended from time to time, including without limitation those of the United States of America and the countries and/or jurisdictions in which BUYER and SELLER are established, conduct business or from which Goods may be supplied; and (ii) the requirements of any licenses, authorizations, general licenses or license exceptions relating to the receipt, import, export, re-export, transfer use or sale of the subject Goods.
- 12.4 BUYER acknowledges and agrees that upon transfer of Products from SELLER, BUYER undertakes responsibility as the exporter as defined in any applicable export control laws of the United States of America and the countries and/or jurisdictions in which BUYER and SELLER are established and is solely responsible for applying for and obtaining any export license, other government export authorization or the use of an available license exception.
- 12.5 BUYER shall maintain such books and records required to evidence its obligations as set forth in this Agreement. SELLER shall, at its cost, have the right to audit such books and records (in whatever form they may be kept, whether written, electronic or other) relating or pertaining to this Agreement kept by or under the control of the BUYER, subject to reasonable advance notice to BUYER.