



AMERICAN RENOLIT CORPORATION, INC.

Terms and Conditions of Purchase

These Terms and Conditions of Purchase are incorporated into and form part of any purchase order ("PO" or "Order") issued by Buyer (as defined hereinafter). Buyer expressly rejects the applicability of any other general terms and conditions or stipulations of Seller (as defined hereinafter). POs or Orders may only be issued in writing or an electronic communication. Verbal authorizations are not permitted.

1. Subject Matter

- 1.1. The terms "**Buyer**" and "**Seller**" refer to the entities designated as such on the Order.
- 1.2. The term "**Goods**" refers to the supplies and/or services to be provided to Buyer by Seller as specified on the Order.
- 1.3. This Order shall be binding upon and inure to the benefit of the respective successors and assigns of the Buyer and Seller. No right under the Order (including the right to receive monies due and to become due hereunder) shall be assigned, nor shall any duty of performance be delegated, by Seller without the prior written consent of Buyer, and any purported assignment or delegation without such consent shall be void.
- 1.4. This Order creates no other relationship between the parties, or any rights of ownership in or use of Buyer's property or information that may have been provided to Seller in connection with the Order or otherwise to facilitate Seller's consideration of the offer or its acceptance.
- 1.5. Any such property or information of Buyer provided to Seller shall be kept confidential and only used in accordance herewith and not disclosed to third parties, including but not limited to any drawings, samples, models and so on that are supplied to Seller in order for the preparation of any offer or otherwise within the framework of this cooperation or that Seller creates according to Buyer's requests. Such property or information shall be returned to Buyer upon request. Seller shall take all reasonable precautions to prevent any officer, employee, or agent of Seller or its subcontractors and shall be responsible for any breach hereof. This obligation shall survive the performance of this Order or any termination, discharge or cancellation thereof.
- 1.6. This Order is an offer by Buyer to purchase the Goods from Seller on the Terms of the Order. It incorporates any technical specifications provided to Seller. The Order is effective, and a binding contract is formed, when Seller accepts the offer as defined below. Seller's act of acceptance, as defined, constitutes acceptance of these Terms and Conditions of Purchase.
- 1.7. Seller has accepted an Order (including these Terms) if Seller gives a verbal or written acceptance or acknowledgement, or if Seller commences any work pursuant to the Order, or Seller's shipment of the Goods. No other terms or conditions which Seller may submit to Buyer shall apply. No change, modification, limitation, waiver, terminations, rescission, or discharge of this Agreement shall be binding on Buyer unless expressly agreed to by Buyer in writing and executed by an authorized representative of Buyer.

2. Pricing and Payments

- 2.1. Goods will be delivered for the price stated in the Order. Seller warrants that prices shown are complete and no additional charges of any kind may be added without the express written consent of Buyer. Examples of such additional charges include, but are not limited to, shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing, crating, proposal development (including site visits), samples, commissioning, providing of documentation or certification and fuel surcharges.
- 2.2. The pricing includes the cost of full scope delivery to Buyer's premises as stated on the Order, delivery to be arranged and paid for by Seller, including packing and unloading.
- 2.3. Unless the Order states different payment terms, payments for the Goods are 2%/14, net 60 from the later of the date of receipt of the invoice or the date of Acceptance of the Goods by Buyer.
- 2.4. Payment will not be made without an invoice from Seller to Buyer for the Goods. Each invoice must relate to only one Order, and be issued and dated no earlier than the date of the Goods delivery or

completion of performance. Invoices will be provided apart from the Goods, addressed to the address stated in the Order or if agreed by prior practice between the parties to an electronic address.

- 2.5. Each Seller invoice and all related documentation (e.g., packing lists, bills of lading, freight bills and correspondence) must include the delivery date, Order number, Order quantities and such other information as to clearly identify the Goods provided as corresponding with the Order.
- 2.6. Seller warrants the pricing as stated in the Order is not affected by collusion or any other non-competitive activity and is legal and violates no laws.
- 2.7. Seller warrants that should it reduce its price for such Goods during the term of this Order, Seller agrees to reduce the prices hereof accordingly.
- 2.8. Buyer's payment may be adjusted for Seller's errors, defects or non-compliance with the Order and these Terms.
- 2.9. Any interest charged by Seller for delayed payments shall not exceed the annual rate of 3.0% per annum or 0.25 % per month, calculated from the first day of delay until the date of payment.
- 2.10. Set-off amounts which Buyer at any time owes to or can claim from Seller and/or any of Seller's affiliates, can always be set off by Buyer against amounts which Buyer and/or any of its affiliates can claim from or owes to Seller and/or any of its affiliates.

3. Delivery

- 3.1. Unless stated otherwise in the Order, all Goods are ordered FOB the AMERICAN RENOLIT CORPORATION, INC. facility specified in the Order.
- 3.2. Goods shipped from outside of the US are sold DDP Site (VAT Included) (Incoterms 2010) to the AMERICAN RENOLIT CORPORATION, INC. facility specified in the Order.
- 3.3. Each shipment shall be properly packed, marked and shipped in accordance with the requirements of the transporting common carrier and in a manner that will permit securing of the lowest transportation rates. If Seller fails in its obligations for timely quantity and quality delivery, Buyer reserves the right to arrange for cure, including replacement of the Goods by a third party, at Seller's expense.
- 3.4. Seller shall mark each package in accordance with then existing regulations of the Department of Transportation, particularly in regards to any "*Hazardous Materials*".
- 3.5. Seller is responsible for shipment of the Goods. Any costs of non-compliance with shipping regulations are the responsibility of Seller.
- 3.6. Time is of the essence for all Orders. Seller shall immediately notify Buyer in writing of any foreseeable delay that will result in Seller not being able to deliver the Goods ordered on the delivery date specified and submit its proposal indicating the measures Seller shall take on its own account to avoid or make good the delay in order to maintain the delivery time. Buyer, at its option, reserves the right to require Seller to expedite the delivery of any and all such Goods. If necessary, Seller must expedite the delivery of any relevant Goods from sub suppliers at Seller's expense. If, in order to comply with Buyer's required delivery date, it becomes necessary for Seller to ship in a more expensive manner, any increased transportation costs shall be paid for by Seller unless the necessity has been caused by Buyer.
- 3.7. The scope of delivery includes all raw and process materials specified in the Order as well as all documentation, drawings, quality and testing certificates, service manuals, spare parts lists and other handbooks. In terms of technical equipment of all kinds, the scope of delivery also includes comprehensive system displays as well as ready-to-use assembly and operating instructions and complete system and user documentation for software products. In the case of software that is developed exclusively for use by Buyer, the delivery obligation is only deemed to have been met if Buyer has also received the source code.
- 3.8. If material testing certificates or other documentation are provided, particularly any Goods requiring Material Safety Data Sheets, these shall form an integral part of the Order and must be sent to Buyer with the delivery, or in any event, no later than 10 calendar days of receipt of the invoice. The term of payment for invoices shall not start before the agreed certificate or documentation is received.

4. Acceptance

- 4.1. Buyer shall have the right, but not the obligation, to inspect such Goods at all times and places, including during the period of manufacture and at any time prior to acceptance.



- 4.2. Delivery of Goods shall not constitute acceptance thereof and Buyer reserves the right to reject any or all of said Goods which are, in Buyer's judgment, defective or non-conforming. Goods rejected and Goods supplied in excess of quantities called for herein or delivered prior to the delivery date may be returned to Seller at Seller's expense and risk, and in addition to Buyer's other rights, Buyer may charge Seller for all expenses of unpacking, examining, repacking and reshipping such Goods.
- 4.3. Acceptance of short shipments or late deliveries shall not constitute a waiver by Buyer of any of Buyer's rights hereunder.
- 4.4. In the event Buyer receives Goods whose defects or non-conformity is not apparent on delivery, but is discovered upon subsequent examination, Buyer reserves the right to require replacement of the Goods, as well as payment of damages for cure, including replacement by a third party at Seller's expense.
- 4.5. Seller shall provide and maintain an inspection and testing system acceptable to Buyer covering the Goods. Records of all inspection and test work performed by Seller shall be kept complete and available to Buyer during performance of the Order and for five (5) years after completion of such Order. Buyer is entitled to review these documents at any time and to prepare copies thereof.
- 4.6. Nothing in this Order relieves Seller in any way from the obligation of testing, inspection and quality control.

5. Warranties

- 5.1. Seller expressly warrants that all Goods furnished under this Order shall: (i) conform to all specifications, drawings, samples or other descriptions required by Buyer, or if none are specified by Buyer, to Seller's stated specifications for each Good, (ii) be new and of good materials and workmanship, (iii) be free from defects in material or workmanship, (iv) be free of all liens and encumbrances, (v) conform to any statements made on the containers or labels or advertisements for such Goods, and, (v) be adequately contained, packaged, marked, labeled, shipped and delivered in compliance with all applicable laws and regulations, including but not limited to registration, export, import, health and safety, environmental and industry standards, and that all instructions and information required by law or necessary for the safe and proper use of the Goods will be provided to Buyer.
- 5.2. Seller warrants that all Goods shall be designed, manufactured, produced, assembled, and delivered in compliance with all applicable national and international laws, standards and regulations, including but not limited to any health and safety, environmental and industry standards.
- 5.3. Seller warrants it will notify Buyer in advance of any proposed change in the Goods supplied under the Purchase Order which may alter or add any of the raw materials or that would change the Chemical Abstract Service (CAS) number(s) for raw materials listed in the Specifications. Any such changes including but not limited to a change in manufacturing location, must be mutually agreed upon and qualified by Buyer and Supplier prior to shipment to Buyer.
- 5.4. Seller warrants that Seller has good and marketable title to the Goods.
- 5.5. Seller warrants that the use or sale of the Goods purchased hereunder will not infringe any patent covering the Goods, but Seller shall not be required to warrant against infringement by reason of the use thereof in combination with other material or in the practice of any process unless expressly agreed.
- 5.6. Seller warrants that all Goods furnished hereunder shall be merchantable, and will be safe and appropriate for the purpose for which Goods of that kind are normally used.
- 5.7. If Seller knows or has reason to know the particular purpose for which Buyer intends to use the Goods, Seller warrants that such Goods shall be fit for such particular purpose.
- 5.8. Inspection, test, acceptance or use of the Goods furnished hereunder shall not affect the Seller's obligation under these warranties, and such warranties shall survive inspection, test, acceptance and use.
- 5.9. The warranty period for liabilities of defect and quality shall be three years from the date of delivery unless otherwise expressly agreed. In the case of equipment, machinery, installations and services the warranty period shall commence on the date of acceptance as stated in Buyer's written statement of acceptance. If acceptance is delayed without culpability on Seller's part, the warranty period shall be three years from the date of delivery of the Goods. The warranty period for structures and building materials shall be based on statutory provisions.
- 5.10. Seller's warranty shall run to Buyer, its successors, assigns and customers and users of products sold by Buyer.



- 5.11. Seller agrees to replace or correct defects of any Goods not conforming to the foregoing warranties promptly, without expense to Buyer, when notified of such nonconformity by Buyer. In the event of failure of Seller to correct defects in or replace non-conforming Goods promptly, Buyer, after reasonable notice to Seller, may make such corrections or replace such Goods and shall charge Seller for the cost incurred in doing so.
- 5.12. If Buyer reports a defect to Seller and elects to have Seller repair such defect, the warranty period for the repaired Goods shall be deemed to start once the repair work is complete and acceptance has taken place. If Seller offers a replacement as remedy, the limitation period for the replacement part shall restart on the date of its installation acceptance.
- 5.13. Seller will indemnify, defend and hold harmless Buyer, its affiliates, assigns, successors, officers, directors, employees, and agents for, from and against any claim, liability, loss, damage, lien, judgment, duty, fine, civil penalty and cost, including attorney's fees and litigation or dispute resolution expenses resulting from Seller's Goods or Seller's failure to conform to any warranty or obligation contained herein.
- 5.14. If claims are made against Buyer as a result of an infringement of official safety regulations or due to domestic or foreign product liability regulations or laws that result from a defect in Buyer's products, which is caused by Seller's Goods, then Buyer shall be entitled to demand compensation from Seller for any damages caused by the Goods supplied by Seller. Such damages shall also include the costs of a precautionary recall campaign. Buyer agrees to notify Seller, as soon as possible, regarding the content and scope of the recall measures being carried out and shall give Seller an opportunity to comment.
- 5.15. Seller shall obtain product liability insurance with an insured sum of US \$10 million for each personal injury or damage to property in a lump sum, and general commercial liability insurance with an insured sum of US\$5 million. If Buyer is entitled to make further claims for damages, these shall remain unaffected. Seller shall provide Buyer with a copy of said insurance policies for review when requested and shall name Buyer as an additional insured.

6. Termination and Change Rights

- 6.1. Buyer may change an Order by giving electronic or written notice to Seller prior to shipment of the Goods or performance under the Order. If any Order change causes an adjustment in price or delivery date, the Parties will make an equitable adjustment and modify the Order in writing accordingly, provided Seller gives Buyer written notice of a need for adjustment within three business days of receiving notice of the change.
- 6.2. Buyer reserves the right to terminate the Order in whole or in part for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder. Seller shall be paid a reasonable termination charge as agreed to by Buyer and Seller. Seller shall not be paid for any work done after receipt of the notice of termination, or for any costs incurred by Seller's suppliers or subcontractors which Seller could have reasonably avoided.
- 6.3. Buyer may also terminate this Order or any part hereof for cause in the event of any default by Seller, or if Seller fails to comply with any of the terms and conditions of the Order. Late deliveries, deliveries of Goods which are defective or which do not conform to this Order, the institution of any proceeding by or against Seller under any law relating to the relief of debtors, and failure to provide Buyer, upon request, reasonable assurances of future performance shall all be causes allowing Buyer to terminate this Order for cause. In the event of termination for cause, Buyer shall not be liable to Seller for any amount, and Seller shall be liable to Buyer for any and all damages sustained by reason of the default which gave rise to the termination.
- 6.4. If a Party to this Agreement cannot perform its obligations, in whole or in part, under an Order, as a result of an event beyond its reasonable control, and not related to its fault or negligence (an "Unavoidable Event"), that Party is excused from performance to the most limited extent possible during the duration of the Unavoidable Event to the extent that performance is prevented or delayed. Examples of such an Unavoidable Event are acts of God, war, flood or fire. Unavoidable Events shall not include labor disputes and failure of Seller's supply chain to make timely or conforming deliveries to Seller.
- 6.5. Reasonable control shall mean Seller has identified alternative sources of supply for key sub-suppliers.
- 6.6. If Seller claims an Unavoidable Event will delay performance, Buyer may modify or terminate the Order on notice to Seller without any liability to Seller, including alternative sourcing of components.



- 6.7. In the event Seller, upon the occurrence of an Unavoidable Event chooses to allocate or apportion its production among customers, Seller agrees that such method of partial supply be fair and reasonable. For example, if Buyer is a new customer of Seller, any allocation made on the basis of longevity or past volume of purchases, shall be deemed unfair and unreasonable.

7. Liabilities; Compliance with Laws

- 7.1. Buyer will not, under any circumstances, be liable to Seller for special, indirect, or consequential damages (including but not limited to, loss of profits) in any way related to the Goods, an Order, or its termination, regardless of the legal or equitable theory on which the damages are sought.
- 7.2. Seller warrants it is in compliance with all applicable federal, state and international employment laws and regulations.
- 7.3. Seller certifies that all materials incorporated into the Goods comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business. Further Seller certifies that upon Buyer's request, it will complete any stand-alone certification of the above necessary for Seller to meet its responsibilities under laws and regulations applicable to Seller in respect of human trafficking and slavery, for example The California Transparency in Supply Chain Act of 2010.
- 7.4. Seller agrees to furnish documentation demonstrating the compliance with all applicable national and international laws, standards and regulations upon request of Buyer. Failure to timely provide such documentation is grounds for withholding payment for the Goods.
- 7.5. Seller certifies that it does not use forced, involuntary, slave, or child labor in the manufacture and/or distribution of the Goods or in its supply chains for the Goods. Seller further certifies that it is aware of Buyer's policy regarding human trafficking and slave labor in supply chains and that Seller has not violated that policy. Seller also agrees that it will timely cooperate with any information requests or audits requested by Buyer to verify that the certifications contained in this paragraph 7.5 are accurate.

8. Governing Law; Notices

- 8.1. Any claim or dispute arising from, or relating to, the Goods, or an Order (including these Terms) will be: (a) governed by the laws of the State of Indiana, United States of America, without regard to its conflicts of law provisions: and (b) must only be litigated in a federal or state court of competent jurisdiction in La Porte County, Indiana. Each Party consents to the Indiana courts' personal jurisdiction.
- 8.2. The 1980 United Nations Convention on Contracts for the International Sales of Goods will not govern an Order.
- 8.3. All negotiations will be conducted in English, and all documents, including all Orders, and all supporting documentation will be written in English.
- 8.4. Any notices to Buyer, unless otherwise stated in these Terms, must be in writing and personally delivered, including via any internationally recognized overnight service to AMERICAN RENOLIT CORPORATION, INC., 1207 E. Lincolnway, La Porte, IN 46350, Attn: President. Likewise, any required notices to Seller shall be sent to the address to which the applicable Order was sent. Each party is responsible for notifying the other of changes in addresses based on the above.

9. Waiver

- 9.1. The Terms contained herein and in the Order constitute the entire agreement. Buyer may give permission in writing or electronic form to Seller which permits Seller to deviate from the performance of a specific provision of this contract. Such permission in no way relieves Seller of any other obligation hereunder except that aspect specifically modified.
- 9.2. No delay or failure on the part of Buyer in exercising any rights under this Order and no partial or single exercise thereof, shall constitute a waiver of such rights or of any other rights hereunder.