

## TERMS AND CONDITIONS OF SALES

**1. Governing Provisions:** United Adhesives, Inc. (the "U.A.I.") is offering to provide the Materials described herein (the "Products") to the buyer to which this offer is addressed ("Buyer"), subject to the terms and conditions set forth herein (the "Agreement"). Buyer may not modify, change, renounce or waive any term or condition hereof without U.A.I.'s express written consent. U.A.I. agrees to provide to Buyer the Products and Buyer accepts the Products only on the terms of this Agreement. Buyer may not amend, modify or replace the terms of this Agreement in any agreement or purchase order (oral or written), if one exists, or other writing or oral representation previously or hereafter received by U.A.I. purporting to amend, modify or replace the terms of this Agreement with any conflicting, different or additional terms or reciting that any action or inaction by U.A.I. constitutes agreement or consent by U.A.I. to such amendment, modification or replacement.

**2. Acceptance:** Buyer shall be deemed to have made an unqualified acceptance of this Agreement, and the terms and conditions herein, on the earliest to occur of the following (a) U.A.I.'s receipt of a copy of this Agreement signed by Buyer; (b) Buyer's payment of any amounts due under this Agreement; (c) U.A.I.'s delivery of the Products; (d) Buyer's failure to notify U.A.I. to the contrary within ten days of receipt of this Agreement, or (e) any other event constituting acceptance under applicable law. Written quotations are void unless accepted within 30 days from date of issue.

**3. End Use:** Determination of the suitability of the Material purchased by Buyer for the uses contemplated by Buyer or Buyer's customers for the Material is the sole responsibility of the Buyer or Buyer's customers, whichever the case may be, and U.A.I. shall have no responsibility in that regard. Buyer assumes all risk and liability for loss, damage or injury to property of Buyer and others arising out of the use or possession of the Material furnished under this Agreement.

**4. Limited Warranty:** U.A.I. warrants only that the Material supplied under this Agreement shall conform to the description or specifications at the time of shipment, that it will convey good title to the Material and that the Material will be delivered free from any lawful security interest, lien or encumbrance unknown to Buyer. THE ABOVE WARRANTY IS IN LIEU OF ALL OTHER WRITTEN OR UNWRITTEN, EXPRESS OR IMPLIED WARRANTIES AND U.A.I. EXPRESSLY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE OF THE MATERIAL SUPPLIED. There is NO WARRANTY in cases of damage in transit, negligence, abuse, abnormal usage, misuse, accidents, normal wear and tear, damage due to environmental or natural elements, failure to follow U.A.I.'s instructions or improper installation, storage or maintenance. Buyer must make claims for defects in writing within 10 days after discovery of such defects. Buyer's failure to make such claim within the warranty period and within 10 days after discovering a defect shall constitute Buyer's irrevocable acceptance of the Products and Buyer's acknowledgement that the Products fully comply with the terms and conditions of this Agreement.

**5. Limitation of Liability:** TO THE FULLEST EXTENT OF THE GOVERNING LAW OF THIS AGREEMENT, EXCEPT AS PROVIDED IN THIS AGREEMENT, U.A.I. SHALL NOT BE LIABLE FOR DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO SPECIAL, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES INCLUDING LOSS OF PROFIT SUFFERED BY BUYER ARISING OUT OF BREACH BY U.A.I. OR FOR ANY CLAIM INVOLVING THE MATERIAL.

**6. Exclusive Remedy:** Buyer's exclusive remedy and U.A.I.'s sole responsibility for any claim or cause of action arising under this Agreement is expressly limited to either replacement of Material shown to be other than as warranted, or at U.A.I.'s option, payment not to exceed the purchase price of the specific Material for which replacement is requested. Any refund or replacement is conditional on Buyer giving U.A.I. notice within 10 days from the date of receipt of the Material by Buyer that the Material is other than as warranted. Failure by Buyer to give this notice within the 10-day period shall constitute a waiver by Buyer of all claims under this Agreement with respect to such Material. If requested by U.A.I., all unconsumed Material alleged by Buyer to be other than as warranted shall be returned to U.A.I. and U.A.I. will pay the return freight charges.

**7. Patents:** If any suit is brought against Buyer for infringement of any Patent alleging that the Material furnished under this Agreement or U.A.I.'s methods of manufacturing them infringe any Patent, U.A.I. shall, to the extent legally possible, at its own expense, defend and control the suit against these allegations only, and shall pay any award of damages assessed against Buyer in the suit to the extent only that the damages are awarded in connection specifically with the alleged infringement, provided that Buyer gives U.A.I. prompt notice in writing of the institution of the suit and, to the full extent of Buyer's power to do so, Buyer permits U.A.I. to defend and control the suit against these allegations. The above fully expresses Buyer's exclusive remedy and U.A.I.'s sole responsibility with respect to infringement of any patent by the Material supplied under this Agreement, and U.A.I. EXPRESSLY DISCLAIMS ANY OTHER WRITTEN OR UNWRITTEN, EXPRESS OR IMPLIED WARRANTY AGAINST INFRINGEMENT with respect to the Material. In no case will U.A.I. be liable to defend or pay any award of damages assessed against Buyer in any suit or cause of action alleging that the USE of the Material supplied under this Agreement infringes any patent.

**8. Price and Terms of Payment:** Prices shall be as stated when the order is placed. The Payment Due Date is based on standard terms of Net 30 days from the Date of Invoice, unless stated otherwise on the Order Acknowledgement. The Payment Due Date is the date on which U.A.I. expects to RECEIVE payment. The invoice date will be the date of shipment from the U.A.I. facility. Buyer shall pay interest on late payments (any payment after the Payment Due Date) up to the maximum rate as is allowed under the governing law of the selling entity. The Annual Percentage Rate for late payments will be specified on the Invoice. Payment deductions are not allowed for any reason. Unauthorized deductions may interrupt Material delivery. U.A.I. will NOT be liable for any bank, currency conversion or other transaction charges and any such charges will be at the expense of Buyer.

**9. Freight and Delivery Terms:** Buyer shall pay for all costs of shipping. Buyer shall fully insure all materials delivered to Buyer from F.O.B. shipping point. U.A.I. will use reasonable efforts to meet such delivery dates, but does not guarantee to meet such dates. Failure by U.A.I. to meet any delivery date does not constitute a cause for cancellation and/or for damages of any kind. U.A.I. shall not be responsible for delay in delivery or failure to fill orders or other default or damage where such has been

caused by an act of God, war, major disaster, terrorism, third-party criminal acts, insurrection, riot, flood, earthquake, fire, strike, lockout or other labor disturbance, delay by carriers, shortage of fuel, power, materials or supplies, operation of statutes, laws, rules or rulings of any court or government, demand for goods exceeding U.A.I.'s available supply or any other cause beyond U.A.I.'s control. Any delay in delivery due to the causes shall extend the term of delivery by a period equal to the length of such delay. In the event of delay in delivery requested by Buyer or caused by Buyer's (a) failure to supply adequate instructions; (b) failure to arrange for pickup; (c) failure to supply or approve necessary data in a timely manner; (d) requested changes; or (e) failure to provide documents required for U.A.I. to effect delivery, U.A.I. will store all Products at Buyer's risk and expense. Buyer shall pay all storage costs and expenses upon U.A.I.'s demand. Claims for shortages or other errors must be made in writing to U.A.I. within ten (10) days after U.A.I.'s delivery. Failure to give such notice shall constitute unqualified acceptance and a waiver of all such claims by Buyer.

**10. Quantity Variations:** The final quantity for bulk shipments will be +/- 10% of the nominal fill depending on loading conditions. For private label Material, Buyer shall accept full-batch quantities (-10% / +20% of the quantity ordered) unless stated otherwise in a separate written agreement.

**11. Short Deliveries/Damage in Transit:** U.A.I. shall not be responsible for damages in transit or for short delivery unless Buyer gives written notice to U.A.I. and U.A.I.'s carrier within three (3) days of receipt of Material and indicates short quantities on the Carrier's delivery note.

**12. Non-Deliveries:** U.A.I. is not responsible for non-delivery unless Buyer gives written notice to U.A.I. and to Carrier within 14 days of invoice date.

**13. Material Returns:** U.A.I. will not accept customer convenience returns.

**14. Order Changes:** No changes or cancellations shall be allowed for confirmed orders within three (10) business days prior to the date of shipment. Buyer shall pay a fee of 3 % of the purchase cost for cancellation of a confirmed order. Buyer shall pay a surcharge of 3% of the total purchase cost for a "Rush Order". Any order requiring human intervention to schedule shall be considered a "Rush Order". Buyer must contact U.A.I. for this service.

**15. Taxes:** Prices do not include local taxes. Any tax or other government charge, now or in the future, levied upon the production, sale, use or shipment of Material ordered or sold may, at U.A.I.'s option, be added to the purchase price. Buyer shall pay any tax (including sales tax), duty, custom, inspection or testing fee or any other fee or charge imposed on, in connection with or measured by the transaction between U.A.I. and Buyer in addition to the prices quoted or invoiced.

**16. Contingencies:** In the event of war, fire, flood, strike, labor troubles, breakage of equipment, accident, riot, act of terrorism, act of government authority, Acts of God, or other contingencies beyond reasonable control of the U.A.I. interfering with the production, supply or transportation of the Material covered by this Agreement the quantities affected shall be eliminated from this Agreement without liability, but the other terms of this Agreement shall remain unaffected. U.A.I. may, during any shortage due to any of the specified causes, allocate its raw materials and finished products in any manner that, in the opinion of U.A.I. is fair and reasonable.

**17. Governing Law:** The internal laws of the State of Illinois shall govern the rights and obligations of U.A.I. and Buyer under this Agreement. Neither this Agreement nor sales hereunder shall be governed by the provisions of the United Nations Convention on Contracts for the International Sale of Goods. Any cause of action, claim, suit or demand by Buyer allegedly arising from or related to the terms of this Agreement or the relationship of the parties shall be brought in a Court situated in the State of U.A.I. Both parties hereby irrevocably admit themselves to and consent to the jurisdiction of said Court.

**18. Commencement of Suit:** Any action for breach of this Agreement must be commenced within two years after the cause of action has accrued.

**19. Entire Agreement:** This document and the sales specifications represent the entire agreement between U.A.I. and Buyer with respect to the sale of the Material. U.A.I.'s waiver of a breach by Buyer of any provision of the Agreement shall not constitute a waiver of any other breach, or a subsequent breach of the same provision for the same or any other cause, by Buyer.

**20. Responsible Care:** Buyer agrees to manage its business consistent with the guiding principles of the Responsible Care initiative of the American Chemistry Council or a similarly comprehensive health, safety and environmental program.

**21. Export Control:** U.A.I. products are subject to U.S. export control laws and regulations, and may be subject to export or import regulations in other countries. Buyer agrees that it will not export, re-export or transfer U.A.I. products in violation of any applicable laws or regulations of the United States or the country where U.A.I. products were obtained. Buyer is responsible for obtaining any licenses required to export, re-export, transfer or import U.A.I. products.

**22. Security:** If, during performance of this Agreement, Buyer's financial condition does not justify the terms of payment specified, U.A.I. may demand, before proceeding with delivery of Products, full or partial payment in advance, satisfactory security or guaranties that invoices will be promptly paid when due, or at its option and without prejudice to other remedies, defer delivery of the Products or cancel this Agreement. Buyer agrees to reimburse U.A.I. for all costs and fees including, but not limited to attorneys' fees and repossession fees, incurred by U.A.I. in collecting any sums owed by Buyer to U.A.I. Buyer agrees to pay a late payment charge of 1.5% per month, or the maximum amount allowable by law, on all amounts not paid in full when due, payable on U.A.I.'s demand. Buyer shall not set off amounts due to U.A.I. against claims or other amounts.

**23. Miscellaneous:** U.A.I. reserves the right to correct clerical or similar errors relating to price or any other term shown in this Agreement. The failure of U.A.I. to insist, in any one or more instances, upon performance of any of the terms, covenants and conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or the future performance of any such term, covenant or condition. Buyer agrees to comply with all laws and regulations applicable to the purchase, transport, use, storage, sale, lease and/or disposal of the Products including, without limitation, to the extent applicable, the U.S. Export Administration Act and all regulations hereunder.