

REICHHOLD, INC.
TERMS AND CONDITIONS OF SALE FOR NORTH AMERICA

- 1. Exclusive Terms.** These terms and conditions of sale (the "Terms") apply to all sales of products by Reichhold, Inc. ("Reichhold"), and supersede and prevail over any purchase order, order acknowledgement or other conditions of purchase of Buyer unless otherwise separately agreed to by Reichhold in writing.
- 2. Prices.** The prices of products are Reichhold's prices in effect at the time of shipment. Weights, volumes and quantities within one (1%) percent of those noted on Reichhold's order confirmations shall be deemed to be correct. Additional packaging charges will be made for nonstandard containers. Any tax, excise or other charge imposed by any government or taxing authority (other than on income) on the manufacture, transportation, use, sale or disposal of the products shall be added to the purchase price and paid by Buyer.
- 3. Delivery Point.** Unless otherwise stated in Reichhold's confirmation, all products will be shipped FOB shipping point, freight prepaid and allowed, for bulk and full truckloads, and FOB shipping point, freight prepaid and charged, for less than full truckloads. Unless otherwise agreed, Reichhold shall select the method of shipment and the carrier. Buyer shall be responsible for all costs associated with premium freight and any overtime or demurrage charges required in order to make deliveries in conformance with Buyer's delivery schedule. Title and risk of loss shall pass to Buyer at shipping point. In the event of damage or loss to products after delivery to the carrier, Buyer shall be responsible for filing claims with the carrier. Reichhold shall cooperate with Buyer in the filing of such claims.
- 4. Delivery Date.** Delivery dates as set forth in any order or confirmation shall be deemed to be estimates only. Reichhold shall make reasonable efforts to meet the agreed delivery dates.
- 5. Payment.** Payment for products shall be made by Buyer within the payment term set forth on the invoice, in lawful funds of the United States of America or Canada as indicated on the invoice. An interest charge of one and one-half percent (1.5%) per month or the highest amount permissible under applicable law, whichever is less, shall be assessed on late payments. Buyer shall not set off, recoup or otherwise reduce the amount of any outstanding indebtedness without written authorization from Reichhold.
- 6. Credit.** If Reichhold shall at any time have doubt as to Buyer's financial responsibility, Reichhold may vary, change or limit the amount or duration of credit to be allowed to Buyer, or may decline to make further deliveries except upon receipt of cash or satisfactory security. Buyer agrees to pay Reichhold's collection costs and expenses, including attorney's fees, if Reichhold commences collection proceedings on any of its invoices.
- 7. Cancellation.** No order may be cancelled or changed by Buyer after acceptance by Reichhold without the prior written approval of Reichhold.
- 8. Force Majeure.** Reichhold shall not be liable for any failure or delay in delivery or non-delivery when such failure or delay shall be caused by fire; flood; accident; explosion; equipment or machinery breakdown; sabotage; terrorism; strike, or any labor disturbance; civil commotions; riots; invasions; wars; directions of any governmental authority; shortage of labor, fuel, power or raw materials; inability to obtain supplies; failures of normal sources of supplies; inability to obtain or delays of transportation facilities; any act of God; or any other cause beyond the reasonable control of Reichhold. If by reason of such causes Reichhold's supply of any product shall be limited, it shall have the right to satisfy its own internal needs, and the needs of its customers, in such manner as shall be determined by Reichhold in its sole discretion. Reichhold shall give prompt notice to Buyer of any claim of force majeure, and its likely effect on performance. If any force majeure shall delay any shipment hereunder for more than thirty (30) days, said shipment may be canceled at either party's option, without incurring any liability to the other party.

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9. Warranties.

- (a) Reichhold's Warranties: Reichhold warrants that products will meet their agreed written specifications at the time of shipment and that Reichhold will have free and clear title on all products delivered.
- (b) Disclaimer of Warranties: REICHHOLD MAKES NO OTHER EXPRESS OR IMPLIED WARRANTY CONCERNING ANY PRODUCT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, ANY WARRANTY OF MERCHANTABILITY, OR ANY WARRANTY AS TO QUALITY OR CORRESPONDANCE WITH ANY DESCRIPTION OR SAMPLE.

- 10. Limitation of Liability.** No claim of any kind whatsoever, whether arising in contract, tort, negligence, breach of warranty, strict liability, or under any other legal theory, as to products delivered or for nondelivery of products shall be greater in amount than the purchase price of the products with respect to which damages are claimed. Reichhold's sole liability to Buyer, if any, and Buyer's sole remedy in respect of any such claim, shall not exceed such purchase price. Reichhold may satisfy any such liability at its option by (a) replacing such product, (b) reworking such product, or (c) credit to Buyer for the purchase price of such product. UNDER NO CIRCUMSTANCES SHALL REICHHOLD BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, SPECIAL OR INDIRECT DAMAGES.
- 11. Claims.** Upon receipt, Buyer shall inspect and test the products delivered and provide Reichhold with written notice of any damage, defect or shortage within five (5) days after receipt, or such claims shall be deemed waived, provided that any claim not reasonably discoverable within such five (5) day period shall be made by Buyer in writing within five (5) days after Buyer learns or reasonably should have learned of the claim. Any action for breach of contract (other than for non-payment of the purchase price) must be commenced within one year after the cause of action has occurred.
- 12. Buyer's Responsibility.** Buyer assumes all risks and liabilities whatsoever resulting from the transportation, handling, storage, use, and disposal of the products, whether used singly or in combination with other substances or in any process. Reichhold shall not be liable for third party claims against Buyer. Buyer acknowledges that any technical advice or formulations suggested by Reichhold are furnished free of charge and Reichhold assumes no obligation or liability for the advice given or the results obtained. Buyer shall test the product for its applications to assure it meets Buyer's needs and can be safely used as desired by Buyer under its conditions of use.
- 13. Returns.** Returns of products may be made only with the prior written authorization of Reichhold.
- 14. No Modification.** No amendment, addition to, alteration, modification or waiver of all or any part of these Terms shall be of any force or effect, whether by course of conduct or otherwise, unless in writing and signed by Reichhold and Buyer. The failure of either party to insist upon strict adherence to any of the Terms shall not be considered a waiver or deprive such party of the right to insist upon strict adherence to that Term.
- 15. Assignment.** The obligations of Buyer are not assignable without the prior written consent of Reichhold.
- 16. Compliance with Law.** Buyer shall comply with all relevant laws governing the transportation, handling, storage, use and disposal of products, or any materials made from products, including **those laws relating to the export of products or of such materials.**
- 17. Governing Law.** The Terms shall be governed by, and construed in accordance with, the laws of the State of North Carolina without regard to its conflict of laws provisions. The United Nations Convention on Contracts for the International Sale of Goods shall not apply.
- 18. Federal Contract Compliance (Equal Employment Opportunity)**
Seller is in compliance with Executive Order 11246, as amended, and the applicable regulations contained in 41 C.F.R. Parts 60-1 through 60-50; 29 U.S.C. Section 793 and the applicable regulations contained in 41 C.F.R. Part 60-741; and 38 U.S.C. Section 4212 and the applicable regulations contained in 41 C.F.R. Part 60-250 and/or 60-300 and the Notification of Employee Rights Under Federal Labor Laws in 29 CFR Part 471, Appendix A to Subpart A, Executive Order 13496 are hereby incorporated herein by reference and seller agrees to abide by the same, if applicable. Further, if applicable, seller agrees to file Standard Form 100 (EEO-1).