

## Galata Chemicals GmbH - General Terms & Conditions

**Acceptance:** This Purchase Order is Buyer's offer to purchase the goods or services specified herein ("Goods" or "Services") at the price stated and by the date required. Buyer may, at any time prior to acceptance of this Purchase Order by Seller, withdraw its offer for any reason or no reason. Seller shall be deemed to have accepted this Purchase Order if: (1) Seller does not notify Buyer, within five business days of Seller's receipt of this Purchase Order, that Seller rejects Buyer's offer; or, (2) Seller ships the Goods or begins performing the Services.

**Inspection:** All Goods are received subject to inspection and approval by Buyer. Buyer shall have a reasonable time after delivery to test or otherwise inspect the Goods to determine whether the Goods conform to Buyer's specifications. Buyer's specifications include quality of Goods, quantity of Goods, time of delivery (whether late or early), proper labeling and proper documentation. Buyer's acceptance of the Goods or Services, inspection of the Goods or Services or payment for the Goods or Services shall not relieve Seller of any obligations under this Purchase Order, and does not release Seller from liability for latent defects. Buyer does not waive any of its rights of inspection or rejection by unloading or using non-conforming Goods. Payment for Goods does not constitute acceptance.

**Changes:** Seller shall notify Buyer in advance in writing of all changes in raw materials or their source, formulation, manufacturing location, manufacturing methods or processes, packaging, shelf life or other changes to any goods delivered under this Purchase Order which could affect their quality or performance. Such changes must be agreed upon by Buyer in writing.

**Remedies:** Upon Seller's breach or default of this Purchase Order, and in addition to all other remedies available to Buyer at law or in equity, Buyer may, without further liability to Seller, terminate or cancel this Purchase Order or any portion thereof or any of its obligations hereunder. Buyer may declare Seller in default if: (1) the Goods or Services or any part thereof do not conform to specifications or to Seller's representations and warranties, express or implied, (2) the Goods or Services or any part thereof are not delivered or performed in accordance with this Purchase Order; (3) Seller is otherwise in breach of this Purchase Order, (4) Seller makes a general assignment for the benefit of creditors; (5) a receiver is appointed over Seller's property or, (6) a petition is filed against or by Seller in any bankruptcy or insolvency proceeding. In addition to any other remedies available to Buyer, Seller shall be liable to Buyer for any and all claims arising out of Seller's performance hereunder: (1) replacement of any non-conforming Product, or at Buyer's option, the refund of the purchase price; (2) reimbursement of out-of-pocket costs reasonable incurred by Buyer for removal, storage, transportation and disposal of non-conforming Product (unless non-conforming Product is returned to Seller at its request and expense); and (3) all out-of-pocket costs incurred by Buyer to recall or rework of any non-conforming Product. In no event will either party be liable to the other party for incidental, indirect, special, or punitive damages.

**Force Majeure:** Neither party will be considered in default of this Agreement (except for the obligation to make any payment when due), to the extent that any such breach results from, or is made impracticable by, any cause beyond its reasonable control, such as acts of God, war, fires, explosions, natural disasters, strikes or lockouts, sabotage, critical equipment failure, and governmental laws and regulations (a "Force Majeure Event").

The party whose performance is affected by a Force Majeure Event shall (i) give prompt notice to the other party stating the details and the full particulars in connection therewith and the expected duration of the event and (ii) shall take commercially reasonable steps to resume performance promptly. If the Force Majeure Event continues for more than [ninety (90) days] the party not affected shall have the option to terminate this Agreement upon notice to the other party.

The party whose performance is affected by the Force Majeure Event shall have the right to omit during the duration of the Force Majeure Event all or any portion of the quantity of Product deliverable during such period for the affected facility whereupon the total quantity of Product deliverable hereunder shall be reduced by the quantity so omitted. If, due to any such Force Majeure Event, Seller is unable to supply the total demands for Product specified hereunder, Seller shall allocate its available supply among its internal and external customers in a fair and equitable manner.

**Title:** Unless otherwise expressly specified title, risk of loss and liability with respect to Goods shall pass to Buyer upon delivery of the Goods in accordance with this Purchase Order.

**Warranty:** Seller warrants that it has good and marketable title to all Goods delivered to Buyer hereunder, free and clear of all liens and encumbrances. Seller further warrants with respect to Goods and equipment that all parts thereof and the operation thereof: (1) shall conform to Buyer's standard specifications or such other specifications as are made a part of this Purchase Order; (2) shall conform to all applicable plans, drawings, samples or models furnished to and approved by Buyer;

and (3) shall not infringe any patent, trademark or copyright. With respect to any Services provided hereunder, Seller warrants that such services shall be performed in accordance with the highest standards, practices and codes of the industry applicable to such services. SELLER EXPRESSLY EXCLUDES AND DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**Lower Competitive Price:** To the extent legally permissible, Buyer may request Seller to meet competitive offers by providing Seller written evidence that Buyer has received an offer from a non-affiliated producer to sell like grade and the same or lesser quantity goods at a lower delivered price for all or any portion of Product to be sold under this Agreement. Within 15 days after receipt of such evidence, Seller will notify Buyer whether Seller will meet the offer on future orders. If Seller does not agree to meet the offer on future orders, Buyer may purchase goods offered under the competitive offer without such purchase constituting a breach of this Agreement, and any purchase quantities specified in this Agreement will be reduced by the quantity of goods purchased by Buyer under the competitive offer.

**Confidentiality:** Seller agrees to keep confidential and not disclose to any third party, without the written consent of Buyer, any technical or business information or research plans or activities relating to Buyer made available to Seller by Buyer or otherwise learned or developed by Seller relating to the Goods or Services, specifically including the existence and contents of this Purchase Order and the identity or quantity of the Goods or nature and subject matter of the Services. Seller further agrees not to use such information except for the purpose of performing this Purchase Order.

**Laws and Regulations:** Seller represents warrants and covenants that in performing its obligations under this Purchase Order, Seller will comply with all applicable laws, rules, regulations, and ordinances. All Goods must be clearly labeled and marked by Seller to comply with applicable laws and regulations.

**Invoices:** The invoice date shall not precede the date the Goods stated on the invoice have been shipped to Buyer or the date Services have been rendered. Payment terms shall be net 60 days from invoice date (unless otherwise stated in this Purchase Order). Buyer shall be responsible only for taxes which, under applicable laws, Buyer is required to pay. All other taxes shall be paid by Seller. The invoice shall only cover the Goods actually shipped or Services actually rendered.

**Applicable Law and Venue:** The validity, interpretation and performance of this Purchase Order shall be governed by the laws of Germany without reference to its principles of conflicts of laws. The rights and remedies set forth in this Purchase Order shall not be exclusive and are in addition to all other rights and remedies of the parties hereto provided by law. Failure of either party to exercise any right hereunder on one or more occasions shall not waive the right to exercise the same on another occasion.

**Insurance:** Seller agrees to hold and maintain insurance, in such amount and for such period of time as is customary in transactions of the nature set forth in this Purchase Order, to insure all of Seller's obligations under this Purchase Order, and Buyer reserves the right to establish minimum insurance. Seller shall cause Buyer to be named as additional named insured on such policies, and at Buyer's request, Seller shall deliver a certificate of insurance evidencing the coverages required by this Agreement. Seller waives subrogation against the Buyer under the insurance coverage maintained by Seller pursuant to this Purchase Order.

**Safety, Health, and Environment:** If on-site services are provided by the Seller, the Seller agrees to comply with all applicable site Safety, Health, and Environmental rules and requirements as specified by the Buyer. Non-compliance with such rules and requirements will be considered as non-performance by Seller.

**Successors and Assigns:** This Purchase Order is neither assignable nor transferable in whole or in part by Seller without the prior written consent of Buyer.

**Productivity:** Buyer and Seller agree to jointly establish goals to improve productivity of Goods and/or Services provided herein as measured either by (a) a reduction in the price of such Goods and/or Services, or (b) a reduction in the unit manufacturing cost of Buyer's products. Buyer and Seller agree that to the extent such productivity measures are implemented, the goal shall be for Buyer to benefit by double-digit productivity gains year over year during the term of this agreement with the Seller's guarantee of at least 5%.