

KAO SPECIALTIES AMERICAS LLC
PURCHASE ORDER TERMS and CONDITIONS

1. Governing Terms; Acceptance. The following terms and conditions shall apply to Kao Specialties Americas LLC's purchase from the seller ("Seller") of the goods (the "Goods") and the services (the "Services"), all as described on the Purchase Order attached hereto (the "Purchase Order"). Kao Specialties Americas LLC (hereinafter, "KSA") will not accept nor be bound by and hereby expressly rejects any different or additional terms or conditions with respect to the Goods and/or the Services contained in any proposal, acknowledgement, invoice or other form or communication, other than those contained in a written agreement signed by both KSA and Seller covering the Goods and/or the Services. If there is no such written agreement, KSA will purchase the Goods and/or the Services only upon the following terms and conditions. Seller's acceptance of the Purchase Order, shipment or delivery of the Goods, or provision of the Services shall constitute Seller's assent to and acceptance of the following terms and conditions.
2. Taxes. With respect to the Purchase Order for the Goods and the Services, KSA shall be responsible only for taxes that KSA is required to pay under applicable statutes. All other taxes with respect to any of the same shall be paid by Seller.
3. Delivery. Unless otherwise expressly specified on the Purchase Order, the Goods shall be transported Carriage Paid To KSA's facility referenced on the Purchase Order. Notwithstanding anything in the applicable Incoterm to the contrary, title and risk of loss for the Goods shall pass from Seller to KSA upon delivery of Goods to KSA's facility. No charges will be allowed for transportation, boxing, crating or other packaging of the Goods. TIME IS OF THE ESSENCE WITH RESPECT TO SELLER'S OBLIGATIONS HEREUNDER. If any delivery is, or is threatened to be, delayed, Seller shall promptly give notice thereof to KSA's authorized representative, together with all relevant information with respect thereto. The giving of and the terms of such notice shall not relieve Seller of any duty hereunder. Seller's failure to deliver the Goods of the quality, within the time, at the place, at the price and in the manner specified by the Purchase Order or agreed to by KSA in writing shall, at the option of KSA, without waiver of any right it has, relieve KSA of any obligation to accept and pay for such Goods or any undelivered installment thereof. Title to the Goods shall pass to KSA upon delivery of the Goods to KSA's designated destination.
4. Risk of Loss. Seller assumes and shall be responsible for all risk of loss of, damage to and liability for (a) the Goods and all works in process, materials and other property of KSA, Seller or third persons in connection with Seller's performance of the Purchase Order, until acceptance by KSA of the Goods, (b) any property received by Seller from, or held by Seller or its supplier for the account of KSA from the time of Seller's receipt or holding of same and (c) any Goods or part thereof rejected by KSA or as to which KSA has revoked acceptance, from the time of such rejection or revocation.
5. Changes. Seller shall notify KSA in advance in writing of all changes in raw materials, manufacturing or testing methods, packaging, shelf life or other changes which may affect the quality of the Goods delivered under the Purchase Order. Such changes must be agreed upon by KSA in writing. Seller agrees to provide KSA with a Certificate of Analysis for each of the Goods confirming Seller's verification that the Goods delivered meet the specifications required hereunder.
6. Inspection. The Goods are received subject to inspection and approval. Seller shall inspect all of the Goods prior to shipment. KSA may reject and/or return, at Seller's expense, any Goods or Services found by KSA to be defective, non-conforming or not in compliance with the Purchase Order or these terms and conditions. Seller shall bear all risks after notice of rejection and shall be liable for all damages that are caused by such defective or non-conforming goods. KSA's right to exercise any remedy shall not be waived or otherwise adversely affected by KSA's unloading, accepting, making payment for or using non-conforming goods, provided KSA notifies Seller within a reasonable time after KSA's discovery of such non-conformity.
7. Pricing; Payment. The price for the Goods and Services specified in the Purchase Order shall be Seller's lowest price currently in effect for the quantity of the Goods and Services involved. Should Seller quote, offer or provide any lower price or better terms for any of the Goods or Services of the same or less quantity to any other

party prior to completion of the transaction contemplated by the Purchase Order, Seller shall promptly notify KSA, and, to the extent not unlawful, such lower price or better terms shall apply to the transaction contemplated by the Purchase Order. Time for calculation of KSA's payment for the Goods or Services shall be computed from the date of KSA's receipt of an acceptable invoice for same or KSA's acceptance of the Goods or Services, whichever is later. Payment by KSA to Seller shall not constitute KSA's acceptance of the Goods or Services.

8. Warranties. Seller hereby warrants that it has good and marketable title to all of the Goods delivered to KSA hereunder, free and clear of all liens and encumbrances and, immediately following delivery of same to KSA, KSA shall have good and marketable title to all such Goods, free and clear of all liens and encumbrances. Seller hereby further warrants that the Goods and all parts thereof and the operation thereof: shall (a) conform to the specifications, drawings, samples and descriptions attached hereto or referred to herein or in the Purchase Order, if any, or if the same are not provided, to KSA's standard specifications; (b) conform to all applicable plans, drawings, samples or models furnished to and approved by KSA and conform to all of Seller's product literature and items referenced therein; (c) be in merchantable condition and free from all contaminants and defects in material, parts and workmanship and, to the extent not manufactured or provided according to detailed designs furnished by KSA to Seller, be free from all defects in design; (d) be fit for their intended purpose and for such particular uses specified by KSA or otherwise known by Seller; (e) be new and of established commercial operability and good quality; (f) not infringe any patent, trademark, copyright or other intellectual property right; and (g) comply with all safety, health and environmental laws and regulations applicable thereto. 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's warranties contained herein (and any consumer warranties, service policies or similar undertakings of Seller) shall be enforceable by KSA's customers and any subsequent owner or user of the Goods or Services or products produced from or containing the Goods and/or Services as well as by KSA. Such warranties shall survive KSA's inspection, testing, acceptance and payment for such Goods and Services.

9. Certain Remedies. Seller shall be liable for all damages, including all consequential, incidental, third party and special damages incurred by KSA as a result of Seller's failure to meet or otherwise comply with the warranties contained herein. Without limiting Seller's liability hereunder, if the Goods or Services are defective in any way or do not conform to such warranties or with the other provisions of these terms and conditions or the Purchase Order, KSA, in addition to any and all other rights and remedies it may have, may revoke its acceptance of or may reject any or all of the Goods and Services. Upon such revocation or rejection, KSA may return, at Seller's expense, any or all of the Goods or require prompt correction or replacement of the Goods and Services at Seller's expense.

10. Indemnification. Seller shall defend, indemnify and hold harmless KSA, and its affiliates, officers, directors, employees, agents, customers, users, and their respective successors and assigns from and against any and all claims, losses, liabilities, damages and expenses of any nature (including attorneys' fees) arising out of or in connection with: (a) Seller's performance of, or failure to perform, any of its obligations hereunder or under the Purchase Order, including without limitation Seller's breach of any warranty given herein; (b) any claim of infringement or violation of any trademark, copyright, patent or other intellectual property right relating to any of the Goods or Services; (c) any product liability or other claim or action with respect to any of the Goods or Services or any products produced from or containing the Goods or Services, except to the extent such claim or action is a direct result of KSA's negligence or wrongful acts or omissions; (d) Seller's or the Goods' or Services' failure to comply with applicable laws or (e) Seller's negligent or wrongful acts or omissions.

11. Insurance. Seller shall obtain and maintain in full force and effect adequate liability insurance to insure all of Seller's obligations under the Purchase Order and these terms and conditions, and KSA reserves the right to establish minimum insurance requirements with respect to same.

12. Force Majeure. No liability hereunder shall result to either party from any failure or delay in payment, performance, non-performance, acceptance or non-acceptance with respect to the Goods or Services caused by circumstances beyond the reasonable control of the party affected, including but not limited to acts of God, war, fire, accident or disaster, or by reason of any law, regulation or other act of any governmental authority, including court orders, or labor problems; provided, however, that the affected party shall promptly give written notice to the

other party whenever such failure or delay becomes reasonably foreseeable, and shall use its best efforts to overcome promptly the effects of such failure or delay. If Seller, by reason of a failure or delay excused under this paragraph, is unable to supply goods the same as or similar to the ones covered herein, in the quantities contracted for, Seller shall allocate its actual production among its internal needs and its customers in a fair and reasonable manner. If notwithstanding such efforts such failure or delay continues for a period of more than thirty (30) days, the other party may elect to terminate the Purchase Order. Quantities of Goods omitted due to any failure or delay excused under this paragraph shall, without liability, be deleted from the Purchase Order.

13. Compliance With Law. Seller shall comply with all applicable laws and governmental regulations which may in any way affect or be applicable to the Goods, the Services or Seller's performance hereunder, including without limitation any applicable requirement under the Toxic Substances Control Act (the "TSCA"), the Fair Labor Standards Act, and laws concerning environmental protection and occupational health and safety. In particular, (a) Seller hereby agrees to incorporate in each invoice covering the Goods, a certification that the Goods covered by the invoice were produced in compliance with all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act, as amended, and with all relevant regulations and orders of the United States Department of Labor issued under Section 14 thereof, and (b) Seller warrants that (i) all Goods delivered hereunder and all work performed and activities undertaken on Seller's premises, including the equipment used therefor, shall comply with applicable standards promulgated under the Occupational Safety and Health Act of 1970, as amended, and regulations adopted thereunder, (ii) the nondiscrimination clauses contained in Section 202 of Executive Order 11246, as amended, relative to equal employment opportunity, and the implementing rules and regulations of the Office of Federal Contract Compliance are incorporated herein, (iii) in accepting the Purchase Order, Seller assumes responsibility for testing, process control, labeling and other requirements of the U.S. Consumer Product Safety Commission and/or other regulatory agencies or laws, and is responsible for reporting product hazards in accordance with Section 15 of the Consumer Product Safety Act, Public Law 92-573, (iv) any food, drug, or cosmetic supplied pursuant to the Purchase Order is not at the time of shipment adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act of 1938, as amended and (v) all Goods which are chemical substances and all chemical contained in the Goods, shall be, at the time of the sale and KSA's receipt, on the then current list of chemical substances published by the Administrator of the Environmental Protection Agency pursuant to Section 8 of the TSCA and in compliance with all other rules and regulations of the Environmental Protection Agency. Not by way of limitation to the foregoing, Seller hereby certifies that all Goods constituting or containing chemical substances subject to the TSCA (including substances which Seller does not make or import) are correctly listed on the TSCA Chemical Substances Inventory, 15 USC 2601 et seq. and regulations thereunder, or else comply with an exemption to such Inventory listing. Seller shall inform KSA in advance of any TSCA restrictions known to it governing the use and disposal of the Goods, including, but not limited to, any proposed or final Significant New Use Rule restrictions.

14. Import Requirements. Upon KSA's request, Seller shall provide KSA with an appropriate certification stating the country of origin of the Goods sufficient to satisfy the requirements of (a) the U.S. customs authorities, and (b) any applicable export licensing regulations, including those of the United States. Seller shall mark all of the Goods with their country of origin. If any Goods are imported, Seller shall, when possible, allow KSA to be the importer of record. If KSA is not the importer of record and Seller obtains duty drawback rights to the Goods, Seller shall, upon KSA's request, provide KSA with documents required by the customs authorities of the country of receipt to prove importation and to transfer duty drawback rights to KSA.

15. Certain Equipment and Tools; License. If KSA furnishes Seller with, or pays for, tools, dies, jigs, fixtures, patterns or other equipment for Seller's use in filling the Purchase Order, the same shall be and remain the property of KSA and shall not be used for orders of third parties without KSA's prior written consent. All such property, while in Seller care, custody and control shall be held at Seller's risk and shall be insured by Seller at Seller's expense in an amount equal to replacement costs with loss payable to KSA. Such property shall be returned to KSA in the same condition as received, ordinary wear and tear excepted, upon completion of the Purchase Order, unless otherwise agreed upon by the parties. Seller hereby grants to KSA and its affiliates a nonexclusive, royalty-free, worldwide, perpetual license to use, make, sell, offer for sale, import or export any KSA product or process in any field, which incorporates or is based on the Goods and/or the Services provided to KSA under the Purchase Order.

16. Confidentiality. All information supplied by KSA and designated as confidential, shall be held in confidence by Seller. Such information shall not be reproduced, used, or disclosed to others by Seller without KSA's prior written consent, and shall be returned to KSA upon the completion of Seller's obligations under the Purchase Order or upon KSA's demand. Seller shall not, without KSA's prior written approval, disclose or permit to be disclosed any information

contained in or related to the Purchase Order to any person to whom such disclosure is not necessary in connection with the performance of the Purchase Order. All property furnished hereunder by KSA shall be maintained in confidence, shall remain KSA's property and, together with all copies thereof, shall be returned to KSA or destroyed as KSA may direct.

Not by way of limitation to the foregoing, Seller shall not use the name, tradename, trademarks, trade dress or service marks owned by KSA or its affiliates, or logos of KSA or its affiliates in any publicity releases, news releases, annual reports, product packaging, signage, stationery, print literature, advertising or websites without securing the prior written approval of KSA. Seller shall not, without prior written consent of KSA, represent, directly or indirectly, that any product or service offered by Seller has been approved or endorsed by KSA or its affiliates.

17. Termination. KSA may at any time terminate the Purchase Order or any part thereof for its sole convenience and KSA's sole liability upon such termination shall be payment to Seller for any Goods delivered or Services rendered by Seller prior to notice of such termination for which payment has not already been made. Seller shall not be entitled to any damages (including, but not limited to, consequential damages and lost profits) as a result of any such termination.

18. Governing Law; Severability; No Prejudice; No Waiver. The validity, interpretation and performance of the Purchase Order and these terms and conditions shall be governed by the law of the State of Delaware, without reference to its principles of conflicts of laws. KSA and Seller consent to the exclusive jurisdiction and venue of the state and federal courts of the State of Delaware. KSA and Seller waive any objection to jurisdiction or venue therein and consent to service of process by registered mail, return receipt requested. If any provision of the Purchase Order or these terms and conditions is or becomes illegal, invalid or otherwise unenforceable under any applicable law, such provision shall be considered severed therefrom and herefrom and all other provisions of the Purchase Order and these terms and conditions shall remain enforceable and be interpreted, as far as and if possible, so as to give effect to its intended purpose. None of the Purchase Order, these terms and conditions nor any ambiguity found therein or herein shall be construed against a party merely because such party drafted the Purchase Order or these terms and conditions. The rights and remedies set forth in the Purchase Order and these terms and conditions shall not be exclusive and are in addition to all other rights and remedies of the parties thereto or hereto provided by law. Failure of KSA to exercise any right it may have under the Purchase Order or these terms and conditions on one or more occasions shall not waive its right to exercise the same on another occasion.

19. Entire Agreement; Assignment; Headings. Except with respect to a written agreement between KSA and Seller concerning the purchase and sale of the Goods and Services, the Purchase Order and these terms and conditions set forth the entire understanding of the parties and supersede all prior understandings, negotiations, and dealings between the parties with respect to the purchase and sale of the Goods and Services. No agreement or understanding, oral or written, in any way purporting to modify the terms of the Purchase Order or these terms and conditions shall be binding upon either party unless contained in a writing signed by the party against whom enforcement of such agreement or understanding is sought. Seller shall not assign its rights or obligations under the Purchase Order or these terms and conditions without the prior written consent of KSA. KSA may assign its rights and obligations under the Purchase Order and these terms and conditions to any of its affiliates and to any purchaser of all or substantially all of its assets. Headings used herein are for the convenience of reference only and shall not control the construction or interpretation of any of the provisions of the Purchase Order or these terms and conditions.

20. Certain Sites. When the Purchase Order covers the supply of Goods or Services on the premises of KSA or its affiliates, or on any construction site, Seller shall be subject to such additional terms and conditions as may be imposed with respect to such premises or sites. Seller shall, and shall cause each of its employees, agents, representatives and contractors to, abide by such terms and conditions, and hereby releases and agrees to defend, indemnify and hold harmless KSA, and its affiliates, officers, directors, employees, agents, customers, users, and

their respective successors and assigns from and against any liability or claims of any kind arising out of or relating to their presence on such premises or sites, including without limitation claims for personal injuries suffered by KSA's or Seller's employees, agents, representatives or contractors. Upon request of KSA, and at no cost or expense to KSA, Seller shall promptly remove from such premises and sites any person under the control of Seller who violates any safety, health or plant laws, regulations, ordinances or rules or who may cause or threaten to cause a breach of the peace, or who is otherwise objectionable to KSA for any reason.