



GAYLORD CHEMICAL COMPANY, L.L.C. GENERAL TERMS AND CONDITIONS OF PURCHASE

1. CONTRACT. The following terms and conditions apply to the purchase by Gaylord Chemical Company, L.L.C. ("Buyer") of goods or services described on the cover page of this Contract, or the Purchase Order to which these General Terms and Conditions of Purchase are attached, from the vendor named on the cover page of this Contract or the attached Purchase Order (the "Vendor"). No other agreements or general conditions will be applicable or set aside these General Conditions of Purchase unless expressly agreed to by the Buyer in writing. References herein to "a Contract", "the Contract", "this Contract" or "such Contract" relate to any purchase contracts, purchase orders, offers to purchase, invoices and deliveries (as applicable) to which these General Conditions of Purchase apply. This Contract, together with any documents expressly incorporated herein by reference, constitutes the entire agreement between the parties. No modifications of this Contract are to be affected by any acknowledgment, quotation, offer or other document submitted by Vendor containing additional or different terms or conditions, regardless of when made, all of which are expressly rejected by Buyer. This Contract may only be modified by a writing signed by both parties. Vendor's shipment of any of the goods, or performance of any of the services, covered by this Contract, or Vendor's receipt of any payment made pursuant to this Contract, constitutes Vendor's acceptance of this Contract as fully as if Vendor had accepted them in writing.

2. CHANGES. Buyer has the right at any time prior to the delivery or performance date of goods or services to make changes in drawings, designs, specifications, packaging, time and place of delivery and method of transportation. If any such change causes an increase or decrease in the cost or time required for performance, or otherwise affects any other provision, of this Contract, the parties shall make an equitable adjustment and modify this Contract accordingly. Vendor 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 Contract that could affect their quality or performance. Such changes must be mutually agreed upon by Buyer in writing prior to Vendor either shipping to Buyer any goods containing any such changes, or performing any services containing any such changes. Buyer is not required to reimburse Vendor for any services performed or goods delivered that have not had prior written approval.

3. DELIVERY; PERFORMANCE. Unless otherwise specified in this Contract, all goods purchased hereunder are to be transported F.O.B. destination, freight pre-paid. Title, risk of loss and liability for goods will pass to Buyer upon delivery of the goods to Buyer's designated destination. Vendor shall immediately notify Buyer of any delay in shipment. In case of a delay of delivery due to any action of the Vendor, the goods will be forwarded by the most rapid means of transport, free of any extra charges to the Buyer. Partial shipments are not authorized unless approved in advance in writing by Buyer. **TIME IS OF THE ESSENCE WITH RESPECT TO VENDOR'S PERFORMANCE OF ITS OBLIGATIONS HEREUNDER.** Buyer reserves the right to return for full credit any excess quantity called for in any order and Vendor shall bear any related costs.

4. RATES; INVOICES; PAYMENT TERMS. Buyer will pay for the goods or services described in this Contract at the rates set forth on the cover page, the purchase order or any exhibits attached hereto, or as otherwise agreed to between Buyer and Vendor from time to time. Vendor represents that prices charged under the Contract will not exceed those permitted by applicable law. Invoices for goods must be mailed by Vendor immediately after shipment and are not to be dated prior to the date of shipment. Payment is due net forty-five (45) days from receipt by Buyer of Vendor's invoice. Payment will be deemed made subject to loss, rejection or adjustment for any shortage in quantity, failure to make specified delivery, defects, failure to comply with specifications or breach of any warranty of this Contract; provided, that such loss, rejection or adjustment will not be an exclusive remedy of Buyer for any of the foregoing and Buyer's use of such remedy will not constitute a waiver of any other right, remedy or privilege Buyer may have hereunder or otherwise. When prepaid transportation charges are for Buyer's account, the invoice must be supported by prepaid freight bill receipt. Should Buyer at any time performance is due under this Contract be offered, in good faith, a lower delivered price on like goods or services of equal quality and specification, of like quantity and for the same purpose as goods or services purchased hereunder, by a vendor not affiliated with Buyer, and should Buyer notify Vendor of the same, Vendor will, at its option, either: (a) supply such goods or services at the lower price, or (b) permit Buyer to purchase such goods or services at the lower price from the vendor making such offer. Any quantity so purchased by Buyer with Vendor's permission will be deducted from the total quantity specified on the cover page.

5. WARRANTY. Vendor warrants that it has good and marketable title to all goods delivered to Buyer hereunder, free and clear of all liens and encumbrances. Vendor further warrants with respect to goods (including both products and equipment) that all parts thereof and the use or operation thereof: (1) will conform to Buyer's standard specifications or such other specifications as are made a part of this Contract; (2) will conform to all applicable plans, drawings, samples or models furnished to and approved by Buyer; (3) will be merchantable and free from all defects in material and workmanship and all defects due to design (other than Buyer's design); (4) will be fit for their intended purpose if known to Vendor; (5) will be new and of established commercial operability and good quality; (6) will meet or exceed the safety standards established and promulgated under applicable laws and regulations including, without limitation, regulations promulgated by the U.S. Occupational Safety and Health Administration; and (7) will not infringe any patent, trademark or copyright. With respect to any services provided hereunder, Vendor warrants that such services will be performed with the care, skill, and diligence in accordance with the highest standards, practices and codes of the industry applicable to such services. Vendor will be responsible for the professional quality, technical accuracy, and completeness of the services. Goods, other than chemicals, shall be guaranteed for the longer of a period of 36 months after the date of successful commissioning or start-up at the designated plant or 42 months after the date of delivery. In addition to any and all other remedies provided to Vendor by law, items found to be defective in workmanship or material after date of acceptance shall be repaired or replaced, at Buyer's option, at no charge to Buyer. All replaced or repaired items shall be guaranteed for a renewed guarantee period, equal to the period mentioned above, from the date of acceptance by Buyer of such replaced or repaired item. All freight charges involving the shipment of defective items shall be for the Vendor's account. For goods consisting of chemicals, any shelf life or expiry date indicated on the goods shall represent a warranty against all defects of the goods until such date. Vendor shall not assert any of its patents or other intellectual property rights against Buyer or Buyer's affiliates or customers worldwide in connection with any use of products or services provided to Buyer under this purchase order.

6. INSPECTION. Goods are subject to Buyer's inspection and approval within a reasonable time after delivery. Buyer, without prejudice to any other rights or remedies, has the right to reject goods that are defective or otherwise not in compliance with the terms hereof and, at Vendor's expense, return them to Vendor or dispose of them according to Vendor's instructions. Vendor is solely liable for all damages and claims arising out of the supply of defective or non-conforming goods, regardless of whether Buyer has accepted, used or made payment for such goods.



7. INDEMNITY. Vendor shall defend, indemnify and hold Buyer, its successors, officers, agents and employees harmless from any and all claims (including claims for bodily injury and property damage), losses, liabilities, damages and expenses (including attorneys' fees) (together "Losses") arising out of or in connection with: (1) Vendor's performance, or failure to perform, its obligations hereunder, including without limitation Vendor's breach of any covenant, agreement or warranty provided for herein; (2) failure of any goods or services to comply with the requirements of this Contract; and (3) Vendor's negligent actions or omissions or willful misconduct in connection with its performance under the Contract. This provision is not to be construed in any circumstance to constitute an indemnification contrary to any governing law that prohibits indemnification against any claim, suit, loss, liability, cost or expenses incident thereto caused by the negligence of such indemnitee. If this Contract involves the purchase of services, equipment or goods with on-site labor, Vendor agrees to indemnify, defend, and hold harmless Buyer, its agents, and employees from and against any and all Losses which it incurs for any and all damage or injury of any kind or nature (including death) to all persons, (including those employed by Vendor) or property which is caused by, results from, arises out of or occurs in connection with the performance or breach by Vendor, or any subcontractor of Vendor, of this order, including but not limited to, Vendor's failure to follow Buyer's facility regulations and procedures, including safety related regulations.

8. FORCE MAJEURE. Neither party will be liable in any respect for failure to perform hereunder if hindered or prevented, directly or indirectly, by war, national emergency, fire, flood, windstorm or other act of God, strike, lockout or other labor dispute, order or act of any government, whether foreign, national or local, whether valid or invalid, or any other cause of like or different kind beyond the reasonable control of such party. Strikes, lockouts, or other labor disputes involving employees of either party are deemed to be beyond the reasonable control of such party. At Buyer's option, any quantity of goods so affected will be deducted from the total quantity purchased by Buyer. Vendor, during any period of shortage due to any of the above causes, shall allocate its actual production among its internal needs and its contract customers in a manner that results in Buyer receiving not less than the same allocation on a pro rata basis as it received prior to the event giving rise to a contingency hereunder. In the event Vendor is unable to provide the contracted goods or services due to the events described herein, Buyer may at its option terminate the Contract upon written notice to Vendor.

9. CONTAINERS. If goods are shipped in Vendor's returnable containers, Buyer shall unload and return such containers to Vendor within a reasonable time and in as good a condition as received, reasonable wear and tear excepted. No charge will be allowed for packing, crating, drayage, or storage unless otherwise provided in this Contract, and shipments must be packed to conform with the requirements of the carriers, and any Federal or state regulations applicable thereto.

10. TITLE. Except as otherwise set forth on the cover page or Purchase Order, all goods furnished by Vendor will become the property of Buyer either upon final payment for the goods or upon delivery of the goods, whichever occurs earlier. Notwithstanding the foregoing, Vendor shall be responsible for and shall bear any and all risk of loss or damage to the goods until delivery is made in accordance with the delivery terms of the Contract. Buyer will at all times have title to all drawings, specifications and other documents supplied or prepared by Buyer and/or Vendor in connection with the furnishing of goods or services hereunder and Vendor shall hold in confidence and use the same only to the extent necessary for execution of the Contract and shall, upon Buyer's request, promptly furnish to Buyer all copies of the same. Vendor shall not release for publication or advertising any information concerning this Contract, its existence, or the project for which it is given, except with Buyer's prior written consent.

11. TAXES. Unless expressly provided on the cover page hereof, all taxes on the production, delivery or sale of the goods or services are included in the stated price and shall be paid by the Vendor. Buyer is responsible only for taxes which under applicable law Buyer is required to pay.

12. SECRECY AND CONFIDENTIAL INFORMATION. The term "Confidential Information" means any confidential and proprietary information disclosed by Buyer during the term of the Contract including, without limitation, business and technical information, information regarding Buyer's customers and business practices, Buyer's facility involved in the procurement of goods and services, the products manufactured at such facility and the processes of manufacturing used at such facility and information regarding Buyer's suppliers and other trading partners. Vendor recognizes that the Confidential Information is proprietary to Buyer, and therefore Vendor agrees that it shall: (i) take all commercially reasonable steps to prevent Vendor's disclosure of the Confidential Information to others; (ii) disclose Confidential Information only to those of its employees and subcontractors who have a need to know the Confidential Information to deliver goods or perform services hereunder; and (iii) not utilize any of the Confidential Information for any purpose other than in connection with the delivery of goods or performance of services hereunder; provided, that the foregoing obligations of confidentiality and non-use will not extend to any of the Confidential Information which: (X) as shown by prior written records, was already in Vendor's possession at the time of its disclosure by Buyer; (Y) is, or becomes, generally available to the public through no fault or omission of Vendor; or (Z) is received by Vendor in good faith from a third party who discloses such information to Vendor on a non-confidential basis without violating any obligation of secrecy as to the information disclosed. Information which is specific will not be considered as being within the foregoing exceptions merely because it is embraced by general information within the exceptions. Also, any combination of features shall not be considered as being within the above exceptions merely because individual features of the combination are within the exceptions, but only if the combination itself, its principle of operations and its value or advantages, are within the exceptions. Upon expiration or termination of this Contract any and all media containing Confidential Information, including, but not limited to, all soft and hard copies of data disclosed hereunder, shall be promptly returned to Buyer by Vendor and no copies or abstracts thereof may be retained by Vendor. Nothing herein is to be construed as conferring in Vendor by implication, estoppel, or otherwise, any right, title or interest in, or any license under, any patent or trade secret included within the Confidential Information now or subsequently owned by Buyer, except to the extent necessary to deliver the goods or perform the services contemplated by this Contract. Upon termination of this Contract, Vendor may not use, and will have no rights in or license under, the Confidential Information.

13. COMPLIANCE WITH LAWS. Vendor shall comply with all laws, rules and regulations applicable in any way to Vendor's performance hereunder, including, without limitation, any applicable requirements of the Toxic Substances Control Act and laws concerning environmental protection and occupational health and safety. The obligations stipulated in the Contract shall be performed in an ethical manner, using sound business practices and in accordance with applicable law, including but not limited to, laws prohibiting commercial bribery, improper payments to

public officials and money laundering. Vendor agrees to comply with all applicable laws and regulations of all jurisdictions governing the export, re-export, transport, trafficking and brokering of goods including, but not limited to, the export control and sanctions laws and regulations of the country in which the Vendor conducts its business, and the export control and sanctions laws and regulations of the United States. Vendor represents that any personal information collected or received in the course of performance of this agreement will be handled in compliance with all applicable data privacy laws and regulations. Any failure to comply with the foregoing provisions will be considered a breach of the Contract subject to damages and any other remedies available under this Contract and at law including, without limitation, the right of the non-breaching party to immediately terminate the Contract.

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14. NON-ASSIGNMENT. This Contract is binding upon and will inure to the benefit of the respective successors and assigns of the parties hereto, but it shall not be transferred or assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, that Buyer shall have the right to assign this Contract without Vendor's consent to an affiliate of Buyer, or to a purchaser or other successor to Buyer's assets to which this Contract relates. In furtherance of the foregoing, Vendor shall not subcontract the performance of any services without the prior written consent of Buyer.

15. APPLICABLE LAWS. This Contract is governed by, and is to be interpreted in accordance with, the laws of the State of Louisiana, without regard to the conflicts of laws provisions thereof. THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS CONTRACT ARE NOT TO BE GOVERNED BY OR CONSTRUED IN ACCORDANCE WITH THE PROVISIONS OF THE CONVENTION FOR THE INTERNATIONAL SALE OF GOODS.

16. BUYER'S PREMISES. When this Contract covers the supply of goods or services on the premises of Buyer, or on any construction site, the Vendor shall observe the safety, environmental or other undertakings as may be imposed with respect to such site and notified to the Vendor. Vendor and its employees, agents, representatives and contractors agree to abide by such undertakings, and hereby release and agree to defend, indemnify and hold harmless Buyer, its employees, successors and assigns from and against any liability or claims of any kind arising out of or relating to their presence on such site, including, without limitation, claims for personal injuries suffered by Buyer's or Vendor's employees, agents, representatives or contractors. Vendor agrees to obtain and maintain in effect adequate insurance to insure all of Vendor's obligations under this Contract, and Buyer reserves the right to establish minimum insurance requirements. Upon request of Buyer, and at no cost or expense to Buyer, Vendor shall promptly remove from said premises any person under the control of Vendor 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 Buyer for any reason. No firearms of any type, explosives, or fireworks may be possessed on Buyer property by any person, whether on person, vehicle, or any other manner, except as specifically permitted under State laws. Vendor agrees that all of its employees shall comply with Buyer's policies prohibiting the possession, use, or being under the influence of drugs and alcohol while on Buyer property. If, as a good Samaritan, Buyer furnishes emergency medical first aid treatment to Vendor's employees, VENDOR SHALL INDEMNIFY AND SAVE HARMLESS BUYER, ITS EMPLOYEES, AND AGENTS, FROM ALL CLAIMS, DAMAGES, LIABILITY, AND EXPENSE (INCLUDING ATTORNEYS' FEES) WHATSOEVER, IN ANY WAY ATTRIBUTABLE TO OR IN CONNECTION WITH THE PERFORMANCE OF EMERGENCY MEDICAL FIRST AID TREATMENT, EXCEPT WHEN SUCH INJURY, DAMAGE, OR DEATH IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF BUYER.

17. INSURANCE.

(a) If this Contract is for the provision of services on any facility of Buyer, at all times during the term, Vendor shall maintain, and shall cause all of its subcontractors to maintain, the insurance having the limits and deductibles set forth below.

- i. Worker's Compensation/Employers Statutory Liability insurance covering injury to or occupational disease or death of all employees engaged in performing services in accordance with the statutory requirements of the state or states in which the Work is to be performed, including Employer's Liability insurance, with a limit of liability under the Employer's Liability portion of at least \$1,000,000 per accident.
- ii. A policy of Commercial Motor Vehicle Liability insurance covering owned, leased, borrowed, and non-owned vehicles with a combined single limit of liability of at least \$1,000,000. If Vendor is hauling chemicals, Vendor must also provide a policy of pollution liability in the amount of \$5,000,000, with specific coverage for the transportation of materials.
- iii. A policy of Commercial General Liability insurance of at least \$1,000,000 including products liability coverage and completed operations coverage, Vendor's protective liability coverage, and including contractual liability coverage specifically endorsed to cover Vendor's obligations under this Agreement, including, but not limited to Vendor's indemnification obligations set forth in Section 7 hereof. Vendors General Liability shall be endorsed to state that such insurance is primary and non-contributory relative to any insurance carried by Gaylord.
- iv. A policy of Commercial Umbrella Liability coverage in excess of i, ii, and iii above of at least \$5,000,000.
- v. If Vendor provides engineering, design or other professional services, a policy of Professional Liability in the amount of \$5,000,000.

(b) All of the insurance required shall be maintained with an insurance company holding an AM Best rating of A-IX or better and shall have a waiver of subrogation in favor of Buyer. Vendor shall ensure that certificates evidencing such insurance (other than Workers Compensation) name Buyer, its parent and affiliated companies as additional insureds (including additional insured status for Completed Operations on policy of Commercial General Liability), and that the policy(ies) providing such insurance require thirty (30) days advance written notice to Buyer in the event of cancellation thereof. In the event Vendor fails to maintain the insurance required by this Section, Buyer, at its option and in its sole discretion, reserves the right to terminate this Contract immediately upon notice to Vendor.

(c) Vendor agrees that, if Buyer experiences any damages subject to insurance maintained by Vendor hereunder, Vendor will cooperate with Buyer in resolving claims related to such damages, and the amount of insurance proceeds payable with respect thereto.

18. SEVERABILITY. In case any one or more of the provisions contained in these Conditions of Sale should be found by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect against any party hereto, such invalidity, illegality, or unenforceability will only apply to such party in the specific jurisdiction where such judgment is made, and the validity, legality, and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, except that these Conditions of Sale will not be reformed in any way that will deny to any party the essential benefits of these Conditions of Sale, unless such party waives in writing its rights to such benefits.

19. WAIVER. No exercise by Buyer of its rights hereunder will constitute a waiver of any rights it may have for breach of contract. Buyer's waiver or failure to enforce its rights on account of Vendor's failure or delay in performing any obligation of Vendor hereunder, or on account of Vendor's breach of contract in any respect, will not constitute a waiver of any subsequent failure, delay, or breach.