

Terms and Conditions of Purchase Argentina

These Terms and Conditions of Purchase ("Terms and Conditions") govern purchases by ("Purchaser") from the seller or provider ("Contractor") and, jointly with the Purchaser the "Parties" and each one of them a "Party") of both goods ("Material") and on-site services ("Services"). Part I - General applies to purchases of both Material and Services and Part II - Services on Site applies only to Services performed on site.

If there is any conflict between the terms specified on the face of Purchaser's Purchase Order ("Order") and any of these Terms and Conditions, the terms specified on the face of the Order shall control.

In these Terms and Conditions Purchaser shall mean any legal entity of the Bakelite Synthetics group that purchases Material and/or Services under the applicability of these terms and conditions of purchase.

Part I – General

1. Governing Terms. Purchaser's agreement to purchase Material or Services is expressly conditioned upon Contractor's acceptance of these Terms and Conditions and Purchaser hereby expressly rejects any terms and conditions set forth in Contractor's invoice, acknowledgement, or other document which differ from these Terms and Conditions and which are not expressly agreed to in writing by Purchaser. Contractor's acceptance of these Terms and Conditions will be conclusively presumed by Contractor's shipment of all or part of the Material to Purchaser or commencement of the Services.

2. Prices & payment. Prices shown on the face of this Terms and Conditions shall remain unchanged through the completion of this Terms and Conditions unless otherwise indicated on the face of the Order. Each Party shall bear the costs (taxes, rates and/or contributions) that correspond to it according to the respective tax regulations including withholdings, perceptions and other governmental charges according to the regulations in force. In the event that the payment of stamp duty is applicable, it shall be borne equally by the Purchaser and the Contractor. Payment under the Order will be due sixty (60) days from the invoice date.

3. Cancellation. Purchaser reserves the right to cancel this Terms and Conditions, or any part thereof, at any time, without cause, by written notice to Contractor. In such event, Purchaser shall pay for all Material or Services delivered, completed, and accepted by Purchaser until the date of cancellation of the Order. Upon receipt of notice of cancellation, Contractor shall immediately discontinue all work in process and immediately cancel all orders or subcontracts entered into pursuant to this Terms and Conditions.

4. Change Notices. The quality, quantity, or nature of the Materials to be delivered or of the Services to be performed shall not be changed except 30 (thirty) days prior written approval or notice from Purchaser.

5. Inspection. All Material delivered or Services performed by Contractor under this Terms and Conditions shall be the best of their respective kind. Purchaser may inspect the Material at any time prior to or upon delivery by Contractor or the Services at any time upon performance by Contractor, provided that neither Purchaser's inspection nor failure to inspect the Material or Services shall relieve Contractor of any obligation or liability hereunder. Material or Services rejected by Purchaser will be held by Purchaser for a limited period of time pending Contractor's disposition. No acceptance or payment by Purchaser for any Material or Services shall constitute a waiver of the foregoing and nothing herein shall exclude or limit any of Contractor's warranties, express or implied. Transportation and handling charges for replacement or return of defective Material and expenses incurred to rectify deficient Services shall be for Contractor's account.

6. Warranty. Contractor warrants that it shall convey to Purchaser good and marketable title to the Material and Services, free and clear of all liens and encumbrances. Contractor also warrants that the Material and Services will be (a) merchantable and free from defects in design, workmanship and materials, (b) fit for the use for which they are intended and to which they are normally put and for any special uses known by Contractor to be contemplated by Purchaser, (c) in compliance with applicable Purchaser and Contractor specifications and (d) performed, produced, manufactured, packaged, labeled, and transported in compliance with , and meet the standards of, all applicable federal, national, provincial, municipal and local laws, rules, and regulations. Without limitation, Contractor shall replace or repair, without cost to Purchaser, any defective Material or Service if claim is made within eighteen (18) months from receipt or mechanical completion or twelve (12) months from installation or startup. Alternately, Purchaser may remedy defects in Services performed and Contractor shall reimburse Purchaser for such costs.

7. Indemnification. CONTRACTOR SHALL INDEMNIFY AND HOLD HARMLESS PURCHASER, ITS SHAREHOLDER, DIRECTORS, CONTROLLED AND/OR RELATED COMPANIES, OFFICERS, EMPLOYEES, AND REPRESENTATIVES (EACH AN "INDEMNIFIED PARTY") FROM AND AGAINST ANY JUDICIAL AND/OR EXTRAJUDICIAL ACTION AND/OR CLAIM AND/OR IN THE EVENT OF A POSSIBLE SENTENCE AND/OR SETTLEMENT, LOSS OR LIABILITY, INCLUDING ATTORNEY FEES AND LEGAL EXPENSES, ARISING OUT OF ANY CLAIM OR CAUSE OF ACTION FOR LOSS OF OR DAMAGE TO PROPERTY OR ILLNESSES TO OR DEATH OF PERSONS TO THE EXTENT DIRECTLY OR INDIRECTLY CAUSED BY, RESULTING FROM, OR GROWING OUT OF THE FURNISHING OF MATERIAL OR SERVICES BY CONTRACTOR OR ANY OF ITS SUBCONTRACTORS OR SUPPLIERS AND CONTRACTOR SHALL DEFEND EACH INDEMNIFIED PARTY AT CONTRACTOR'S SOLE EXPENSE IN ANY LITIGATION, LEGAL ACTION OR PROCEEDING IN CONNECTION THEREWITH. THIS INDEMNITY OBLIGATION SHALL SURVIVE COMPLETION, TERMINATION OR CANCELLATION OF PURCHASER'S ORDER, IN WHOLE OR IN PART.

Purchaser shall in no event be liable for Contractor's obligations with respect to its personnel (the "Personnel"). Consequently, the Contractor assumes its obligations in relation to labor, health and safety, social security, union, tax and customs obligations in full, and undertakes to comply with all labor, health and safety, social security, labor union, tax and customs obligations with respect to the Personnel under its charge assigned to the personnel assigned to the fulfillment of this Terms and Conditions.

8. Indemnity. Contractor shall indemnify, defend, and hold Purchaser harmless against all claims, suits, liability and expense arising out of alleged infringement

of any patent, copyright or trademark, resulting from or arising in connection with the manufacture, sale, normal use or other normal disposition of the Material furnished hereunder or the performance of Services performed hereunder. Purchaser may participate in the defense of any claim or suit arising hereunder without relieving Contractor of any obligation or liability hereunder and Contractor will not enter into a settlement or other agreement that includes or imputes an admission of liability by Purchaser without Purchaser's prior written consent.

9. Limitation of Liability. IN NO EVENT WILL PURCHASER BE LIABLE FOR ANY LOST REVENUES, LOST PROFITS, INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES.

10. Setoff. Any indebtedness of Contractor to Purchaser may be credited against amounts owed by Purchaser to Contractor.

11. Confidentiality. This Terms and Conditions and all data and other information obtained by Contractor from Purchaser in connection with this Terms and Conditions shall be held in strict confidence by Contractor and used solely for the purposes intended in connection with this Terms and Conditions.

12. Promptness. The Parties acknowledge time is of the essence for the performance of the Contractor's obligations.

13. Default. If Contractor, or any authorized subcontractor, breaches any provision hereof, or becomes insolvent, enters bankruptcy, receivership, or other like proceeding (voluntary or involuntary), or makes an assignment for the benefit of creditors, Purchaser shall have the right, in addition to any other rights it may have hereunder or by law, to immediately terminate this Terms and Conditions by giving Contractor written notice, whereupon Purchaser shall be relieved of all further obligations hereunder except to make timely payment for Material delivered prior to the date of termination.

14. Assignment. Contractor shall not assign this Terms and Conditions in whole in part nor shall Contractor subcontract any part of this Terms and Conditions without Purchaser's prior written consent.

15. Compliance with Laws. Contractor shall comply fully with all applicable legal requirements and, if requested, shall furnish evidence satisfactory to Purchaser of such compliance.

16. Law. This Terms and Conditions shall be construed in accordance with the laws of the Argentine Republic.

17. C-TPAT. Purchaser acknowledges and accepts that the supply chain security policy is intended to minimize the risk of unauthorized tampering with the integrity of shipments throughout the Purchaser global supply chain. The supply chain begins with the foreign provider of goods to be imported into the United States and ends with the first Purchaser site or business partner to receive the goods. Suppliers to Purchaser of goods agree that they must meet the C-TPAT minimum standards of security criteria.

Container integrity must be maintained to protect against the introduction of unauthorized material and/or personnel. Containers must be stored in a secure area to prevent access to and/or manipulation of containers or their contents. Written procedures must be in place to verify the physical integrity of the container structure prior to filling to include the reliability of the locking mechanisms. At the location of filling, written procedures must be in place to control the handling and affixing of seals. A high security mechanical seal must be affixed to all loaded sea containers bound for Argentina. All seals must meet or exceed the current PAS ISO 17712 standards for high security mechanical seals.

Suppliers to Purchaser must use C-TPAT certified carriers or carriers who can demonstrate their ability to meet C-TPAT security criteria.

18. Discrimination. During the performance of this Terms and Conditions, the Contractor is obliged to comply with all applicable laws respecting non - discrimination in employment and any other regulations that may replace it in the future.

19. Dispute resolution. Any controversy, difference or claim arising out of these Terms and Conditions, including, but not limited to, their formation, validity, interpretation, performance or breach, shall be submitted to the courts of the Autonomous City of Buenos Aires.

Part II Services on Site

20. HAZARDOUS MATERIALS. CONTRACTOR HAS BEEN ADVISED BY PURCHASER AND ACKNOWLEDGES THAT FLAMMABLE OR HAZARDOUS MATERIALS MAY BE PRESENT IN EQUIPMENT AND WORK AREAS INVOLVED IN PERFORMANCE OF THE SERVICES. CONTRACTOR AGREES TO EXERCISE EXTREME CARE AND CAUTION IN PERFORMANCE OF SUCH SERVICES.

21. Performance. Contractor shall perform all work diligently, carefully and in a good and workmanlike manner; shall furnish all labor, supervision, machinery, equipment, services and supplies necessary therefore; shall obtain, maintain, and pay for all building and other permits and licenses required by public authorities in connection with performance of the Services, and, if permitted to subcontract, shall be fully responsible for all work performed by subcontractors. Contractor shall conduct all operations in Contractor's own name and as an independent contractor, and not in the name of, or as agent for, Purchaser.

22. Use of Premises. Contractor shall perform all work so as to cause minimum interference with the operations of Purchaser and of other contractors, and shall take all necessary precautions, including those required by Purchaser's safety regulations, to protect Purchaser's and third party's premises and all persons and property thereon from damage or injury. Upon completion of the Services, Contractor shall leave the premises clean and free of all equipment, waste, and rubbish.

23. Liability. Contractor shall be solely responsible for all materials, subcontracts, and equipment until the Services are completed to Purchaser's satisfaction.

Contractor shall be solely responsible for tools, equipment and other property owned, rented or leased by Contractor or any subcontractor or employee of either which are not to be incorporated in the work. Contractor shall be solely responsible for loss or damage to the Services until they are accepted by Purchaser.

24. Liens. Contractor shall pay promptly all indebtedness for labor, services, material, supplies, and equipment used in performance of the Services. Contractor shall not be entitled to receive final payment for the Services from Purchaser until Contractor furnishes evidence satisfactory to Purchaser of full payment of such indebtedness. Contractor shall not permit any lien or charge to attach to the object of the Services or Purchaser's premises; but if any does so attach, Contractor shall promptly procure its release and indemnify Purchaser against all damage and expense.

25. Insurance. If Contractor performs any Services on Purchaser's premises, Contractor shall maintain at all times the following insurance, at Contractor's expense, with a reputable and financially sound insurance carrier acceptable to Purchaser: (a) Workers Compensation Insurance as required by applicable law; (b) Employer's Liability Insurance with limits not less than USD 1,000,000 per occurrence; (c) General Liability Insurance, including products and completed operations coverage, with a minimum combined single limit of not less than USD 1,000,000 per occurrence; (d) Automobile Liability Insurance with limits not less than USD 1,000,000 per occurrence; (e) Excess Liability Insurance with limits not less than USD 5,000,000 for Employers Liability, General Liability and Auto Liability, (f) Mandatory Life Insurance regarding its Personnel; y (g) Insurance in the terms of the Argentinean Labor Risk Law. Upon request, Contractor will provide Purchaser with an insurance certificate from its insurance carriers for each of the required foregoing insurance coverage's. Such insurance shall name Purchaser as an additional insured, provide waiver of subrogation in favor of Purchaser, contain a severability of interests and cross liability clause, and provide for at least thirty (30) days notice of cancellation to Purchaser.

26. Personnel. The Contractor shall hold harmless and/or indemnify, as the case may be, the Purchaser, its shareholders, controlled and/or related companies, and its directors and/or employees with respect to any action and/or judicial and/or extrajudicial claim and/or in the event of a possible sentence and/or transaction, for any cost and/or expense that they may assume, whether in terms of capital, interest and/or costs, based on indemnification claims and/or of any other nature, derived from judicial and/or extrajudicial claims of any nature that may be initiated against the Contractor's Personnel or its subcontractors or the employees hired by them for the provision of the Service, or their successors, as well as union, social security, social security, tax, social welfare or third parties, whether such claims arise from the invocation by the claimants of a direct relationship with the Purchaser or by solidarity deriving from the provisions of arts. 29, 30 and concordant provisions of the Labor Contract Law No. 20,744 and/or whatever its legal basis, as well as for any cost, expense, expenditure and/or damage, whether direct or indirect, mediate or immediate, whatever the legal basis invoked, arising from non-compliance with labor, conventional and/or social security obligations during the performance of these Terms and Conditions.

The Contractor shall submit to the Purchaser, prior to the commencement of the Service, a list of the Personnel, which will be affected to the provision of the Service, according to their corresponding Unique Labor Identification Code (CUIL) and Early Discharge Key (CAT, Res. 899/2000 of the AFIP), if applicable, identifying (a) nationality, (b) National Identity Card (D.N.I.), (c) domicile, and (d) position to be held. will occupy.

The Contractor shall also submit to the Purchaser within five (5) business days of the commencement of the bid term. the commencement of the term of the Bid, each time the Purchaser so requests, and/or each time there is a change to the Purchaser, and/or each time there is a change in the Bid or in the Personnel list, the following documentation. documentation:

- A current account number held by the Contractor.
- Proof of coverage for labor risks.
- An updated list of the Personnel with all the data indicated in the previous article, in case there has been a modification in the Personnel payroll.

The Contractor shall submit the following documentation to the Purchaser on a monthly basis:

- Proof of payment of the remuneration of the Contractor's Personnel assigned to the performance of the Offer, duly signed.
- Proof of payment of the monthly payments of the ART quotas, as well as a copy of the contracted policy or a certification policy or a certification issued by the contracted ART certifying the existence of the insurance, its validity.
- Copy of the monthly payment vouchers to the social security system (AFIP Form 931) corresponding to the Personnel.
- Proof of payment to the union corresponding to the Contractor.

27. Contractor Default. In addition to the provisions of the above Default section, upon written notice to Contractor terminating this Terms and Conditions: (a) Purchaser shall be relieved of all further obligation hereunder, except to pay the reasonable value of Contractor's prior performance, but not more than the price set forth in this Terms and Conditions; (b) Title to any product of Contractor's work whether fully or partially completed, as well as all materials and subcontracts procured, prepared, or set aside by Contractor for use in the work, shall, at Purchaser's option, vest in Purchaser and Purchaser may enter Contractor's premises and remove the same; and (c) Purchaser may complete performance of the Services and Contractor shall be liable to Purchaser for all cost incurred by Purchaser in completing such performance in excess of the Order price.

28. Drugs, Alcohol, and Firearms. Purchaser's policy on illegal drugs, alcohol, and firearms, as it relates to contractors, is set forth below. Contractor agrees to communicate such policy to its Personnel (which shall include subcontractor personnel) and agrees to cooperate with Purchaser in implementing such policy on the job site(s) covered by this Agreement.

The use, possession, transportation, promotion, or sale of illegal drugs or drug paraphernalia, and/or otherwise legal but illicitly used substances by anyone while on Purchaser's premises is absolutely prohibited. Except where specifically authorized, the use, possession, or transportation of alcoholic beverages, firearms, live ammunition, explosives, or weapons is also prohibited. Reporting to work, remaining on duty, or being on Purchaser's premises under the influence of drugs or alcohol is also prohibited. Personnel found in violation of these prohibitions will not be allowed on Purchaser's premises and may be referred to law enforcement authorities.

The use or abuse of prescription drugs and over-the-counter drugs that may affect safe performance by Personnel of assigned job tasks is prohibited. This includes the use of prescription drugs without a valid prescription and over-the-counter drugs in a manner not intended for use.

The term "Purchaser's premises" in this Section is used in the broadest sense and includes all land, property, buildings, structures, installations, boats, planes, helicopters, cars, trucks, and all other means of conveyance owned by or leased to Purchaser or otherwise being utilized in Purchaser's business.

Entry onto Purchaser's premises constitutes consent to and recognition of the right of Purchaser and its authorized representatives to search the person, vehicle, and other property of individuals while on Purchaser's premises. Such searches may be initiated by Purchaser without prior announcement and will be conducted at such times and locations as deemed appropriate. Contractor's Personnel who refuse to cooperate with searches will not be allowed on Purchaser's premises.

Contractor (and Contractors subcontractors) are required to take whatever steps they deem necessary (including adopting their own drug control program, if necessary) to ensure that involvement with drugs or alcohol on the part of their respective personnel working on Purchaser's premises or with Purchaser's personnel does not create a presence of drug or alcohol related problems in the work place. Contractor may conduct contraband searches and drug and alcohol testing of its personnel on Purchaser's premises in areas where Contractor is performing work.

Contractor shall notify and obtain approval of Purchaser's on-site management prior to conducting such searches or testing.

29. Health, Environment, and Safety. Contractor shall comply with applicable health, environmental, hygiene and safety regulations of Purchaser and agencies having jurisdiction over Services. Contractor shall at all times maintain a clean and safe work site and take all necessary precautions to protect persons and property from damage or injury arising out of performance of the Services. Contractor Personnel working at Purchaser sites must adhere to all safety regulations.

30. Purchaser's Code of Conduct for Suppliers and Other Third Parties. Purchaser's Code of Conduct for Suppliers and Other Third Parties ("Code") has been established to foster the highest ethics in both Parties' procurement-related conduct. Contractor agrees to read, understand and use best efforts to abide by the Code. The Code is found at: <http://www.bakelite.com>.