

Terms and Conditions of Purchase Chile

These Terms and Conditions of Purchase ("Terms and Conditions") govern purchases by the entity part of Bakelite Synthetics' business group indicated in the respective Order ("Purchaser") from the seller or provider ("Contractor") 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 Chile.

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 Order shall remain firm through the completion of this Order unless otherwise indicated on the face of the Order. Contractor shall pay all taxes and other governmental charges associated with this Order. Payment under the Order will be due thirty (30) days from the invoice date.

3. **Cancellation.** Purchaser reserves the right to cancel this Order, 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. 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 Order.

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 by written approval or notice from Purchaser.

5. **Inspection.** All Material delivered or Services performed by Contractor under this Order 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 (i) merchantable and free from defects in design, workmanship and materials, (ii) 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, (iii) in compliance with applicable Purchaser and Contractor specifications and (iv) performed, produced, manufactured, packaged, labeled, and transported in compliance with, and meet the standards of, all applicable 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. **Indemnity.** CONTRACTOR SHALL INDEMNIFY AND HOLD HARMLESS PURCHASER, ITS DIRECTORS, OFFICERS, EMPLOYEES, AND REPRESENTATIVES (EACH AN "INDEMNIFIED PARTY") FROM AND AGAINST ANY LOSS OR LIABILITY, INCLUDING REASONABLE ATTORNEY FEES AND LEGAL EXPENSES, ARISING OUT OF ANY CLAIM OR CAUSE OF ACTION FOR LOSS OF OR DAMAGE TO PROPERTY OR INJURIES 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.

8. **Infringement.** 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 Order and all data and other information obtained by Contractor from Purchaser in connection with this Order shall be held in strict confidence by Contractor and used solely for the purposes intended in connection with this Order.

12. Promptness. Time is of the essence for the performance of 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 Order 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 Order in whole in part nor shall Contractor subcontract any part of this Order 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 Order shall be construed in accordance with the laws of Chile.

Part II Services on Site

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, AND COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS.

19. 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 and its associated obligations. 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.

20. 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.

21. 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. Contractor shall be solely responsible for the fulfillment of its employees' labor and social security obligations. In case of a labor subcontracting regime, Contractor will evidence on a monthly basis the fulfillment of the labor and social security obligations of its employees rendering Services and, in case of existence of labor and/or social security debts, Purchaser will be entitled to withhold any owed amounts from the payments owed to Contractor. Should Contractor be allowed to subcontract part of the Services, it will exercise these same prerogatives over the subcontracted party in relation to its employees.

22. 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.

23. Insurance. If Contractor performs any Services on Purchaser's premises, during the term of the contract and/or the performance of the Services, whichever is greater, Contractor shall contract and maintain at all times the following insurances, 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 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 [CLP/USD/etc.] \$1,000,000 per occurrence; and (e) Excess Liability Insurance with limits not less than USD \$5,000,000 for Employers Liability Insurance, General Liability Insurance and Auto Liability Insurance.

Upon Purchaser's request, Contractor shall provide Purchaser with a full copy of the policy, or an insurance certificate from its insurance carriers for each of the required foregoing insurance coverages.

Such insurance shall: (a) appoint Purchaser and its respective officers, directors, employees, successors, assigns and agents as additional insureds; (b) include a waiver of subrogation rights clause in favor of Purchaser and its respective officers, directors, employees, successors, assigns and agents; (c) include a severability of interests (or multiple insureds) clause and a cross liability clause; and (d) provide for at least thirty (30) days' advance written notice to Purchaser in the event of cancellation or amendment of the policy.

Additionally, Contractor shall pay all premium in due time and comply with all obligations under the relevant insurance.

Any insurance policies contracted and maintained by Contractor shall not be construed as an acceptance by Purchaser of any limitation to the liabilities assumed by Contractor under this contract. No insurance covering the Contractor shall relieve the Contractor of its liabilities undertaken under this contract and/or the Chilean law.

Moreover, in case of a claim, Contractor shall immediately denounce the claim to the insurance company and give notice to Purchaser. Purchaser may, at its sole discretion, require the Contractor to request the payment of such claim under the relevant insurance, or denounce such claim directly to the insurance company.

24. Contractor Default. In addition to the provisions of the above Default section, upon written notice to Contractor terminating this Order: (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 Order; (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.

25. 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 agencies.

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, observing the requirements set forth by law and the labor authorities in this respect. Contractor shall notify and obtain approval of Purchaser's on-site management prior to conducting such searches or testing.

26. Health, Environment, and Safety. Contractor shall comply with applicable health, environmental, 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.

27. 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>.

28. Contractor certifies and represents that in the performance of this order it will comply with the provisions of all applicable laws, regulations, rules and orders.