

WARD ADHESIVES, INC

PURCHASE ORDER TERMS AND CONDITIONS

1. PURCHASE ORDER NUMBER

. Acceptance of this purchase order by Seller is subject to the terms herein and on the face of this purchase order and agreed upon technical descriptions, guidelines, or specifications. This order shall control and govern all terms of the sale. Ward Adhesives, Inc. hereby notifies Seller that we reject any attempt by Seller to limit or condition its liability for breach or damage arising out of its performance or non-performance of this Order. The Purchase Order Number must be shown on the packing slip and invoice of the Seller. Ward Adhesives, Inc. reserves the right to return to Seller any invoice which does not conform. Payment shall not be rendered unless Ward Adhesives Inc. receives an invoice showing the Purchase Order Number.

2. PACKING SLIPS

. Packing slips must be included with all shipments.

3. INVOICES

. Invoices must be rendered in duplicate no later than the day following shipment.

4. SHIPMENTS AND DELIVERIES

. Shipments and deliveries shall be in accordance with Ward Adhesives, Inc.'s instructions, time being of the essence in this contract, and must be made to the specified ship to location. Delivery shall not be deemed complete until all items or material have been received and accepted by Ward Adhesives, Inc. Seller shall be responsible and shall bear all risks for loss or damage to the items or material to be delivered under this Purchase Order (i) until they are delivered at Ward Adhesives, Inc.'s facilities, regardless of F.O.B. point, or point of inspection or acceptance, and (ii) if such items or material are rejected.

5. EXTRA CHARGES

. No additional charges of any kind, including charges for boxing, packing, cartage, or other extras, will be allowed unless specifically agreed to in writing in advance by Ward Adhesives, Inc.

6. QUANTITIES

. The specific quantity ordered must be delivered in full and may not be changed without Ward Adhesives, Inc.'s written consent. Any unauthorized quantity is subject to Ward Adhesives, Inc.'s rejection and return at Seller's expense.

7. PRICE

. If price is not stated in this Purchase Order, it is agreed that the items or material covered by this Purchase Order shall be billed at the price last quoted or Seller's current list price, whichever is lower. This Purchase Order may not be filled at a higher price than last quoted or charged without Ward Adhesives, Inc.'s specific written authorization. The price or prices stated in this Purchase Order include all applicable Federal, state and local taxes and will not be changed as a result of failure by Seller to include any applicable tax or as a result of any increase in Seller's tax liabilities. In the event taxes are repealed or rates reduced, the Purchase Order price shall be reduced accordingly. Seller represents and warrants that the price or prices specified in this Purchase Order are no higher than those prices charged to its most favored customers when purchasing like items or material in like quantities and qualities. In the event the stated prices are determined to be higher than the prices for which the items or material have been sold by Seller to others, prices specified in this Purchase Order shall be reduced accordingly.

8. PAYMENT

. Seller will be paid for the items or material called for in this Purchase Order when the items or material are delivered and accepted by Ward Adhesives, Inc. and upon submission of invoices. In addition to any terms of payment on this Purchase Order form, Ward Adhesives, Inc. shall be entitled to all discounts regularly allowed by Seller. It is understood that the cash discount period will date from the receipt of goods or from the date of a conforming invoice, whichever is later. C.O.D. shipments will not be accepted unless prior arrangements have been agreed to between Ward Adhesives, Inc. and Seller.

9. INSPECTION

. All items or material to be delivered under this Purchase Order shall be subject to Ward Adhesives, Inc.'s right of inspection and test and all such items or material are subject to final inspection and acceptance at Ward Adhesives, Inc.'s facility notwithstanding any prior inspection or design approvals. Ward Adhesives, Inc.'s inspection shall be final and conclusive. Ward Adhesives, Inc. will give notice of rejection of items or material delivered under this Purchase Order within a reasonable time after receipt. All rejected items or material will be held at Seller's risk and shall be removed promptly by Seller at Seller's expense. Seller shall promptly reimburse Ward Adhesives, Inc. for all freight, storage, handling charges and all other expenses incurred by Ward Adhesives, Inc. prior to discovery of any defects or nonconformance with this Purchase Order, and in Ward Adhesives, Inc.'s attempts to remedy the same or make any items or material usable for Ward Adhesives, Inc.'s purposes. Ward Adhesives, Inc. may, at its option, require

WARD ADHESIVES, INC

PURCHASE ORDER TERMS AND CONDITIONS

prompt replacement or correction of rejected items or material at Seller's expense, including an equitable reduction in the price of this Purchase Order for rejected items or material. Seller shall not resubmit rejected items or material to Ward Adhesives, Inc. without prior written approval. Seller shall identify resubmitted items or material as previously rejected. Acceptance, payment, use or resale of the items or material covered by this Purchase Order by Ward Adhesives, Inc. shall not release Seller from any of Seller's obligations, representations, or warranties hereunder. Payment for any items or material shall not be deemed an acceptance thereof. Seller shall provide and maintain a quality assurance and control system acceptable to Ward Adhesives, Inc. and Ward Adhesives, Inc. shall have the right to inspect the items or material covered hereby at the Seller's facility.

10. WARRANTY

. Seller expressly warrants that all of the items or material purchased hereunder will be (i) in exact accordance with this Purchase Order and any other specification, drawings, samples or other descriptions furnished or adopted by Ward Adhesives, Inc., (ii) free from defects in design, material and workmanship, (iii) fit for the purpose intended, (iv) safe and appropriate for the purpose for which such items or material are normally used, (v) merchantable, and (vi) free from security interests, liens or encumbrances. These warranties shall survive delivery, inspection, acceptance and payment and shall accrue to Ward Adhesives, Inc., its successors, assigns, customers and users of Ward Adhesives, Inc.'s products and shall be in addition to any other warranties of Seller, express, implied, or statutory. Ward Adhesives, Inc. may, at its option, return for credit or require prompt correction or replacement of defective or nonconforming items or material or have defective or nonconforming items or material corrected or replaced at Seller's expense. Return to Seller of any defective or nonconforming items or material and delivery to Ward Adhesives, Inc. of any corrected or replaced items or material shall be at Seller's expense. Defective or nonconforming items or material shall not be corrected or replaced unless specified on Ward Adhesives, Inc.'s written order. Corrected or replaced items or material shall be subject to the terms and conditions of this Purchase Order in the same manner and to the same extent as items or material originally delivered under this Purchase Order. If part of the items or material to be delivered under this Purchase Order are defective or nonconforming, Ward Adhesives, Inc. may cancel any unshipped portion of the items or material covered by this Purchase Order. The rights of Ward Adhesives, Inc. provided in this Paragraph 10 shall be in addition to any other rights provided by law or this Purchase Order.

11. COMPLIANCE WITH LAW

. Seller guarantees compliance with all applicable Federal, state and local governmental laws, rules and regulations in the performance of this Purchase Order, and Seller shall, in accordance with Paragraph 22 entitled "Indemnification," indemnify and hold Ward Adhesives, Inc. harmless against any liability on account of any failure of Seller to so comply.

12. LIABILITY FOR INFRINGEMENT

. No specification with respect to any part of this Purchase Order constitutes a warranty, express or implied, against claims for infringement of patents, copyrights or trademarks, and Ward Adhesives, Inc. is not responsible to Seller for or on account of such a claim or liability. Seller warrants the items or material purchased under this Purchase Order do not infringe upon or constitute an unauthorized use of any patent, trade secret, or other intellectual property right of any person or entity and Seller agrees to save harmless, defend and protect Ward Adhesives, Inc., its successors, assigns, customers, and users of its products, against any claim or demand based upon such infringement. In the event the items or material purchased under this Purchase Order infringe upon or constitute an unauthorized use of any patent, trade secret, or other intellectual property right of any person or entity, Seller shall at its expense either procure for Ward Adhesives, Inc. the right to continue using the infringing item or replace the infringing item with a non-infringing item.

13. ACCEPTANCE

. The contract between Seller and Ward Adhesives, Inc. is embodied in the terms and conditions of this Purchase Order, together with any supplemental documents, specifications, notes, instructions, or technical data referred to herein. Seller accepts and will be bound by the terms of this contract when it commences performance hereunder. This Purchase Order expressly limits acceptance to the terms stated herein, and any additional or different terms proposed by Seller are rejected and shall be deemed a material alteration hereof unless expressly assented to in writing by Ward Adhesives, Inc. No contract will exist except as herein provided.

14. ALTERATION OF TERMS

. None of the terms and conditions contained in this Purchase Order may be added to, modified superseded or otherwise altered except by a written instrument signed by an authorized representative of Ward Adhesives, Inc. and delivered by Ward Adhesives, Inc. to Seller, notwithstanding any terms and conditions that may be contained in any acknowledgment, invoice or other form of Seller and notwithstanding Ward Adhesives, Inc.'s act of accepting or paying for any shipment of items or material or any other

WARD ADHESIVES, INC

PURCHASE ORDER TERMS AND CONDITIONS

similar act of Ward Adhesives, Inc. The terms and conditions contained in this Purchase Order shall apply to each shipment covered by this Purchase Order except as such terms and conditions may be added to, modified, superseded or otherwise altered as provided in this Paragraph 14.

15. ORDER CHANGES

. Ward Adhesives, Inc. reserves the right at any time to make changes, in a written order, in the following: (i) the specifications, drawings, designs, quantities and delivery schedules incorporated in this Purchase Order; (ii) methods of shipment or packaging; and (iii) place of inspection, acceptance, and/or delivery. If any such change causes an increase or decrease in the cost of, or the time required for, performance of this contract, an equitable adjustment shall be made in the purchase price or delivery schedule, or both. Any claim by Seller for adjustment under this Paragraph 15 shall be deemed waived unless Ward Adhesives, Inc. is notified in writing within ten (10) days after receipt by Seller of notice of the requested change. Price increases or extensions of time for delivery shall not be binding on Ward Adhesives, Inc. unless approved in writing by an authorized representative of Ward Adhesives, Inc. Nothing in this Paragraph 15 shall excuse Seller from proceeding with the Purchase Order as changed.

16. WARD ADHESIVES, INC.'S DATA

. Ward Adhesives, Inc. retains all rights in designs, drawings, specifications, reports and other information ("Data") furnished to Seller, except Data relating to Seller's products or services. All Data shall be confidential and shall be used by Seller only for the purpose of filling this order. All Data furnished by Ward Adhesives, Inc. to Seller shall remain the sole property of Ward Adhesives, Inc. Despite cancellation or termination of this Purchase Order, Seller shall (i) hold in confidence and prevent disclosure of said Data to any third party, and (ii) not use or reproduce said Data in production, manufacture or design, except as otherwise provided herein, without Ward Adhesives, Inc.'s prior written approval. Seller shall be fully responsible for the care and protection of all such Data until it is returned to Ward Adhesives, Inc. Seller shall return all Data to Ward Adhesives, Inc. upon Ward Adhesives, Inc.'s request and in any event, upon completion of all work required hereunder, or the cancellation or termination hereof, whichever occurs first.

17. WARD ADHESIVES, INC.'S PROPERTY

. All specifications, drawings, technical documents, tooling, equipment or other material entrusted to Seller by Ward Adhesives, Inc. for completion of this Purchase Order

("Buyer's Property") shall be maintained in good condition by Seller and Seller shall insure Buyer's Property against all risks of loss while in the possession of Seller. Buyer's Property shall be owned by and shall remain the property of Ward Adhesives, Inc. Buyer's Property shall be stored in Seller's facilities in defined and segregated areas. Ward Adhesives, Inc., acting through its authorized representatives and agents, shall, during regular business hours of Seller, while Seller retains Buyer's Property, have the right to inspect Buyer's Property and those portions of Seller's facilities in which Buyer's Property is stored. Seller will at no time represent to any third party that any party other than Ward Adhesives, Inc. owns Buyer's Property. Upon cancellation or termination of this Purchase Order Seller will deliver such Buyer's Property to the extent not incorporated in delivered end products to Ward Adhesives, Inc. in good condition subject to ordinary wear and tear.

18. NOTICE OF HARMFUL INGREDIENTS OR DEFECTS

. Seller shall give Ward Adhesives, Inc. prompt notice of any harmful ingredients or defects in the items or material Seller delivers to Ward Adhesives, Inc. pursuant to this Purchase Order. Seller's obligation contained in the preceding sentence shall survive fulfillment, cancellation or termination of this Purchase Order.

19. COPYRIGHT

. Seller hereby grants Ward Adhesives, Inc. an irrevocable, royalty-free, non-exclusive license to reproduce or otherwise use all copyrightable material furnished under this Purchase Order.

20. CANCELLATION

. Ward Adhesives, Inc. reserves the right to cancel all or any part of the undelivered portion of this Purchase Order by written notice or verbal notice confirmed in writing in any of the following circumstances: (i) Seller does not make deliveries as specified; (ii) Seller breaches any of the terms hereof including, without limitation, the warranties of Seller; (iii) Seller fails to make progress as to endanger performance of this Purchase Order in accordance with its terms; or (iv) Seller becomes insolvent, fails to pay its bills as they come due or makes an assignment for the benefit of creditors. In the event of cancellation under the preceding clauses (i), (ii) or (iii), Ward Adhesives, Inc. shall have the right to procure, on such terms and in any manner as it may deem appropriate, items or material, similar to those cancelled, and to recover from Seller the excess cost for such similar items or material and Seller shall be liable to Ward Adhesives, Inc. for any and all damages sustained by reason of the default which gave rise to the termination. In the event of

WARD ADHESIVES, INC

PURCHASE ORDER TERMS AND CONDITIONS

cancellation under the preceding clause (iv), Ward Adhesives, Inc. shall be entitled to cancel this Purchase Order without further cost or liability. The rights of Ward Adhesives, Inc. provided in this Paragraph 20 shall be in addition to any other rights provided by law or this Purchase Order.

21. TERMINATION

. Ward Adhesives, Inc. may terminate all or any part of this Purchase Order at any time for its sole convenience by written notice or verbal notice confirmed in writing. In the event of such termination, Seller shall immediately stop all work hereunder, and shall immediately cause all of its suppliers and subcontractors to cease such work. Seller shall not be paid for any work done after receipt of a notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could have reasonably avoided. If this Purchase Order is so terminated, any claim of Seller shall be settled on the basis of the reasonable costs it has incurred in the performance of this contract before Ward Adhesives, Inc.'s notice of termination and in no event shall Ward Adhesives, Inc. be liable for anticipated profits or for incidental or consequential damages.

22. INDEMNIFICATION

. Seller agrees to protect, indemnify and save harmless Ward Adhesives, Inc., its successors, assigns, employees, agents, customers and users of its products and services, of and from any claim, loss, damage, deficiency, action, demand, judgment, cost or expense (including reasonable attorneys' fees) arising out of (i) any infringement or claim of infringement of any patent, copyright, trademark, trade secret, or other proprietary right of a third party by reason of the use or sale of any item purchased hereunder, or (ii) any losses or damages, including, but not limited to, incidental and consequential damages, to persons or property by reason of any defects in the item or material or nonconformance with the terms hereof, or breach by Seller of any of the warranties contained herein, or Seller's failure to timely deliver the items or material purchased hereunder. Seller shall, at its own expense, if so requested by Ward Adhesives, Inc., defend all claims, proceedings or suits against Ward Adhesives, Inc., its successors, assigns, employees, customers and users of its products, in which any of the aforesaid claims are alleged. Ward Adhesives, Inc.'s remedies under this Purchase Order are cumulative and in addition to those provided by law. No purported limitation on Ward Adhesives, Inc.'s remedies contained in any acknowledgement, invoice or other form of Seller shall operate to reduce this indemnification obligation on the part of Seller.

23. INSURANCE

. Seller shall maintain in effect, at its expense, insurance of such types as is commercially reasonable in connection with the conduct of its business, including, without limitation, insurance coverage for its liability and indemnity obligations hereunder.

24. REMEDIES

. Ward Adhesives, Inc.'s liability on any claim of any kind for any loss or damage arising out of or in connection with or resulting from this contract or from the performance or breach thereof shall in no case exceed the price allocable to the goods or services or unit thereof, which gives rise to the claim. Ward Adhesives, Inc. shall retain the right to avail itself of any remedy available at law or in equity including, but not limited to, include incidental and consequential damages.

25. ASSIGNMENT

. Seller may not assign or subcontract either its rights or obligations under this Purchase Order without the prior written consent of Ward Adhesives, Inc., and any attempted assignment or subcontracting without such consent shall be void. Ward Adhesives, Inc. may assign its rights and obligations under this Purchase Order.

26. SEVERABILITY

. If any provision of this Purchase Order shall under any circumstances be deemed invalid or inoperative, this Purchase Order shall be construed with the invalid or inoperative provision deleted, and the rights and obligations of the parties shall be construed and enforced accordingly.

27. NONWAIVER

. Ward Adhesives, Inc.'s failure to enforce any provisions of this Purchase Order or any rights hereunder shall not operate as a waiver of such provisions or rights and the same shall remain in full force and effect for the duration of this Purchase Order.

28. APPLICABLE LAW AND ARBITRATION

. Any dispute regarding the interpretation or validity hereof shall be governed by the internal laws of the State of Wisconsin or applicable Federal laws. Any controversy or claim arising out of or relating to the interpretation of this Purchase Order or, the breach thereof shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules as then in effect. Such arbitration shall be held in Milwaukee County, Wisconsin, before a single arbitrator. The award shall be binding and conclusive upon the Seller and Ward

WARD ADHESIVES, INC

PURCHASE ORDER TERMS AND CONDITIONS

Adhesives, Inc. and judgment on the award may be entered in any court having jurisdiction thereof. The parties shall bear their own costs and attorneys fees but shall split equally the fees and costs of the arbitration, including reimbursement of the arbitrator's fees and expenses.

29. ENTIRE AGREEMENT

. These terms and conditions, any other specification, drawings, samples or other descriptions furnished or adopted by Ward Adhesives, Inc. constitute and represent the complete and entire agreement between Ward Adhesives, Inc. and Seller and supersede all previous communications and representations, either written or verbal, with respect to the subject mater of this Purchase Order. No modification of this Purchase Order shall be binding on the Ward Adhesives, Inc. unless made in writing in accordance the terms of this Purchase Order.