

Terms and Conditions
Version 2015

Terms and Conditions - General (applies to both Material and Services) and Additional Terms and Conditions - Services on Site (applies to Services performed on site only) (individually and jointly "Terms and Conditions") govern the purchase by Purchaser, as defined below, of the material (Material) or services (Services) described on the face of a Purchase Order (Order) from Contractor.

If there is any conflict between the terms specified on the Order and any of these Terms and Conditions, the terms specified on the face of the Order shall prevail. In the event of conflict between these Terms and Conditions in English and any translations thereof, the English version shall prevail.

Definitions: In these Conditions of Purchase:

"Purchaser" shall mean: the legal entity (or company) part of the Hexion Group, as mentioned on the Order

"Contractor" shall mean: any person, firm, company or corporation that is requested to provide a quotation or with which an order for delivery of Material or Services is placed by Purchaser

Terms and Conditions - General

1. Governing Terms - Purchaser's agreement to purchase the 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 shipment of all or part of Material to Purchaser or commencement of performance of the Services.

2. Prices - Prices shown on the face of this Order shall remain firm through the completion of the Order unless otherwise indicated on the face of the Order or written agreement. Contractor shall pay all taxes and other governmental charges due in any country, including but not limited to social premiums and wage taxes related to persons used by Contractor in performing its activities under the Order.

3. Delivery terms – With respect to delivery of Materials, delivery terms will be **DDU** at the Order appointed delivery point according to Incoterms 2000 or the at the moment of the Order applicable Incoterms. Risk and entitlement to the Materials will go from Contractor to Purchaser when delivered according to the applicable Incoterm.

4. Payment - Payment under the Order will be due forty five (45) days from the invoice date.

5. Cancellation - Purchaser reserves the right to cancel the Order, or any part thereof, at any time, without cause, by written notice to Contractor. In such event, Purchaser shall pay for all Materials or Services delivered or completed, and accepted by Purchaser. Purchaser has the right to cancel the Order, or any part thereof, immediately at any time, by written notice to Contractor, in case of non-performing or a breach of applicable rules and regulations (such as health and safety instructions, permits, etc). In such event, Purchaser shall either pay Contractor for all Materials or Services delivered or completed, and accepted by Purchaser or will allow Contractor to retrieve (part of) its Materials and/or Services or will at costs for Contractor remove (part of) the Materials or Services. Upon receipt of any notice of cancellation, Contractor shall - in line with any safety or health consequences - immediately discontinue all work in process and immediately cancel all orders or subcontracts given pursuant to the Order.

6. Change Notices - The quality, quantity, or nature of materials to be delivered or of work to be performed shall not be changed except by written notice from Purchaser.

7. Inspection - All Material delivered or Services performed by Contractor under the 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, however, 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 for good cause will be held for 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 warranties. Transportation and handling charges for replacement or return of defective items are for Contractor's account.

8. Warranty - Contractor guarantees warranties of title, fitness for purpose, design, workmanship, materials, compliance with applicable Purchaser and Contractor specifications, and merchantability for the Materials or Services furnished on the Order. 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.

9. Reach - Contractor confirms that it is aware of the Regulation of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). To the extent the Material or any of the substances contained in the Material falls within the scope of REACH, Contractor confirms and represents that the Material and/or any of the substances contained in the Material, to the extent required under REACH, is or has been timely pre-registered and will be timely registered and will be remained registered for the use(s) as identified by Purchaser. Contractor will consult with Purchaser from time to time in order to ensure that such (pre) registration is appropriate. To the extent the Material or any of the substances contained in the Material, require(s) authorization, Supplier shall use its best efforts to timely obtain and maintain authorization.

Contractor shall indemnify and keep indemnified Purchaser against all losses, liabilities, claims, demands, suits, actions, damages, costs and expenses of whatsoever nature that may arise or occur as a result of Contractor not complying with the obligations under REACH as provided for above

Contractor shall keep Purchaser informed about the status of the registration, evaluation and authorization process, shall supply Purchaser any documentation to evidence the (pre) registration process as Purchaser may reasonably require, and shall immediately notify Purchaser of any relevant development in that respect (e.g. if the Materials or the substances contained therein is/are (likely to be) caught by the authorization or restriction requirements under REACH). Contractor shall promptly notify Purchaser if any constituent greater the 0.1wt.% in the product becomes listed on the "Registry of Intentions of Annex XV dossiers" or the "Candidates list" for Substances of Very High Concern (SVHC) subject to authorization (Annex XIV). Contractor will provide Purchaser with details of any applications for authorization, details of alternative substances it is aware of and substitution plans where a suitable alternative exists.

10. 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 FAULTY PERFORMANCE OF THE ORDER BY MATERIALS, EQUIPMENT OR PERSONNEL USED OR FURNISHED BY CONTRACTOR OR ITS SUBCONTRACTORS OR SUPPLIERS AND CONTRACTOR SHALL DEFEND EACH INDEMNIFIED PARTY AT CONTRACTOR'S SOLE EXPENSE IN ANY LITIGATION OR ADMINISTRATIVE ENFORCEMENT ACTION INVOLVING THE SAME, PROVIDED, HOWEVER, THAT SUCH INDEMNIFICATION AND HOLD HARMLESS SHALL NOT APPLY TO CLAIMS FOR LOSS, DAMAGE, INJURY OR DEATH TO THE EXTENT CONTRACTOR PROVES THEM TO HAVE BEEN CAUSED BY AN INDEMNIFIED PARTY'S NEGLIGENCE. FAULT OF CONTRACTOR SHALL INCLUDE NEGLIGENCE, WILLFUL MISCONDUCT, STRICT LIABILITY, VIOLATION OF LAW OR GOVERNMENTAL REQUIREMENT, OR BREACH OF THIS ORDER. THIS INDEMNITY SHALL SURVIVE THE TERMINATION OR CANCELLATION OF THIS ORDER OR ANY PART HEREOF.**

11. Infringement - Contractor shall indemnify and defend Purchaser 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.

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

13. Setoff - Any indebtedness of Contractor to Purchaser may be credited against amounts owed by Purchaser to Contractor.
14. Confidentiality - The 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 the Order.
15. Intellectual Property rights – Purchaser is entitled to all documents, drawings, specifications, calculations and other information carriers with respect to the performance of the activities of Contractor under the Order. Purchaser will be solely entitled to all intellectual property rights (including patents) created during the performance of the obligations under the Order. In case the intellectual property rights are with both Contractor and Purchaser, Contractor will assure and guarantee that Purchaser has a full license to use these without any conditions for an indefinite period of time.
16. Promptness - Time is of the essence for the performance of Contractor's obligations and breach of the delivery date(s) for delivery of Materials or Services (including scheduled performance terms) will mean a breach of contract. Any delay in the performance of Contractor's obligations will be recovered by Contractor on its own expenses and Contractor shall be fully liable for all damages of Purchaser out of such delay, unless caused by Purchaser's gross negligence or willful misconduct.
17. Default - If Contractor, or any authorized subcontractor, breaches any provision hereof or the Order, 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 the Order by giving Contractor written notice, whereupon Purchaser shall be relieved of all further obligation hereunder except to make timely payment for Material delivered and accepted prior to the date of termination.
18. Assignment - Contractor shall not assign the Order in whole or in part nor shall Contractor subcontract any part of this Order without Purchaser's prior written consent.
19. Compliance with Laws - Contractor shall comply fully with all applicable laws and (local) regulations including custom handling of delivery of Materials in line with the agreed Incoterms and including health and safety instructions and shall comply with all governmental requirements and – if applicable – has all necessary permits or any other needed authorization to perform its obligations out of the Order. Without limiting the generality of the foregoing, Contractor shall mark the Materials and/or their packaging with their country of origin, shall comply with all applicable laws and regulations with respect to the country of origin of the Materials, and shall not supply Materials originating from countries where that would violate sanctions imposed by the United States or any other country having jurisdiction over the transaction.
20. Insurance – Contractor will arrange for sufficient and in the market normal insurance policy covering the damages out of non-performing of the Order.
21. Law – All orders shall be governed and interpreted in accordance with the laws of the country of registration of Purchaser as buyer without reference to that jurisdiction's conflicts of law provisions. The United Nations Convention on Contracts for the International Sale of Goods (1980) is specifically excluded. Any dispute involving an Order shall be exclusively submitted to the competent court of the principal place of business of Purchaser.

Additional Terms and Conditions - Services on Site

CONTRACTOR HAS BEEN ADVISED BY PURCHASER AND ACKNOWLEDGES THAT FLAMMABLE 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.

22. 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.
23. 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.
24. 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 of the Services until they are accepted by Purchaser.
25. Liens - Contractor shall pay promptly all indebtedness for labor, services, 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 the premises; but if any does so attach, Contractor shall promptly procure its release and indemnify Purchaser against all damage and expense.
26. 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 €1,000,000 per occurrence; (c) General Liability Insurance, including products and completed operations coverage, with a minimum combined single limit of €1,000,000 per occurrence; (d) Excess Liability Insurance with limits not less than €5,000,000; and (e) Automobile Liability Insurance with limits not less than €1,000,000 per occurrence. Upon request, Contractor will provide Purchaser with an insurance certificate from its insurance carriers for each of the required foregoing insurance coverage. Insurance shall name Purchaser as an additional insured, provide waiver of subrogation in favor of Purchaser, provide severability of interests and cross liability clause, and provide for at least thirty (30) days notice of cancellation to Purchaser.
27. 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 prepared, procured 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. 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.