



POLYONE CORPORATION
TERMS AND CONDITIONS OF PURCHASE
Supplies & Services
(Non-Raw Materials)

1. **PACKAGING:** Seller at its cost and expense shall package materials in a manner to ensure receipt in good condition. Purchase Order Number must be on all packages, boxes and cartons.
2. **INVOICING:** Freight Bills, Bill of Lading, Invoices and Packing Slips must show our Purchase Order Number. Each of your invoices shall bear the following statement: "WE HEREBY CERTIFY THAT THESE GOODS AND/OR SERVICES WERE PRODUCED AND /OR PERFORMED IN COMPLIANCE WITH ALL APPLICABLE REQUIREMENTS OF SECTION 6,7, AND 12 OF THE FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED, AND OF REGULATIONS AND ORDERS OF REGULATIONS AND ORDERS OF THE ADMINISTRATOR OF THE WAGE AND HOUR DIVISION ISSUED UNDER SECTION 14 THEREOF." Transportation Charges on Invoice must be supported by paid transportation bills. DO NOT INSURE PARCEL POST SHIPMENTS OR DECLARE EXCESS VALUATION ON EXPRESS FOR OUR ACCOUNT.
3. **WARRANTIES:** Seller expressly warrants good title to all goods ordered hereunder. Seller expressly warrants that all goods and/or work, ordered hereunder will be merchantable and fit and sufficient for the purpose ordered, and that all goods and/or work ordered according to plans, drawings, specifications, descriptions or samples furnished or approved by Buyer, which are hereby made a part hereof as if fully set out herein, will conform thereto, and that all goods and/or work ordered hereunder will be free from defect in material and workmanship and will comply with all requirements of the Occupational Safety and Health Act of 1970 as it may be amended from time to time including all regulations issued there under and shall comply with all requirements of all applicable health and /or safety statutes of federal, state or local governments having jurisdiction in the location to which such goods are shipped or in which such work is performed. All warranties shall run to Buyer, its successors, assigns and customers and to the users of its products, and shall be construed as conditions as well as warranties, and shall not be deemed to be exclusive. Seller expressly warrants that the goods provided to not contain any chemicals included in Schedule 1, Schedule 2, or Schedule 3 of the Chemical Weapons Convention and Chemical Weapons Convention Regulations. Seller warrants that the goods, as shipped by Seller, do not infringe the intellectual property or violate the trade secret rights of any third party.
4. **FORCE MAJEURE:** Except with respect to default of subcontractors, Seller shall not be liable for any delay and/or failure of performance if the failure to perform arises out of causes beyond the control and without the fault or negligence of Seller. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government and either its sovereign or contractual capacity, fires, floods, epidemics, quarantines

restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the failure to perform must be beyond the reasonable control and without the fault or negligence of Seller. If the failure to perform is caused by the default of a subcontractor, and if such default arises out causes beyond the reasonable control of both the Seller and subcontractor and without the fault or negligence of either of them, Seller shall not be liable for any delay or failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedule.

5. **INFRINGEMENT:** Seller agrees to indemnify and hold harmless the Buyer and Buyer's customers from all costs, judgments, and any other expense resulting from any patent, trademark, or copyright infringement claim or suit against Buyer or Buyer's customers based on the purchase or resale by Buyer or Buyer's customers, as the case may be, of the particular goods, equipment work called for in this order and Seller shall defend any such infringement claim or suit at no cost or expense to Buyer or Buyer's customers, provided only that Seller is notified promptly of each such claim or suit.

6. **PERFORMANCE OF WORK:** If this order calls for work to be performed by Seller, all work performed and all materials used in connection therewith shall be at the risk and expense of and shall be replaced by Seller in the event of any damage or destruction thereof prior to delivery to and acceptance by Buyer. If this order call for work to be performed by Seller upon any premises owned or controlled by Buyer and/or Buyer's customers, Seller will keep the premises and the work free and clear of all mechanics liens and will furnish Buyer with certificate and waiver as provided by Law. Whenever any property belonging to Buyer or its customers is in the possession of Seller or Seller's suppliers, Seller shall be deemed and insurer thereof and shall be responsible for its safe return to Buyer. Seller will indemnify, hold harmless and defend Buyer and/or Buyer's customers from any and all claims, demands or suits made or brought under the Workmen's Compensation Law of the state in which any work is performed hereunder or under any applicable federal compensation laws, and will, if requested, furnish to Buyer a Certificate showing that Seller is complying with the Workmen's Compensation Law of such state and with any applicable federal compensation laws. Seller will also indemnify, save harmless and defend Buyer and/or Buyer's customers from all loss and expense for any damage to property or injury to or death of persons caused by Seller in the performance of this order.

7. **TERMINATION:**
 - (a) **Default-** If Seller defaults in performance of this order, or fails to make progress so as to endanger performance, or becomes insolvent, or makes an assignment or a material portion of its assets for its creditors; or is the subject of bankruptcy proceedings, Buyer may, by written notice, terminate this order for default. Thereafter, Seller shall be responsible for Buyer's costs in securing other performance of the terminated work, the costs to cover, and such other damages as may arise by reason of Seller's default, in addition, Buyer may direct Seller to transfer title and deliver to Buyer any completed supplies, and inventory of partially completed supplies and materials and any tooling

which Seller has acquired or produced specifically for this order. Payment for completed work shall be at the contract price, and payment for other materials shall be in an amount agreed to by the parties, in the event that a Seller terminated for default is subsequently found to not have been in default, the termination shall be converted to a convenience termination, and Seller shall have no claim for lost profits, consequential or special damages or any other costs or damages beyond the termination claim allowed under the Terminator for Convenience provision below.

(b) **Convenience** – Buyer, by written notice, may terminate this order in whole or in part at any time whenever it shall determine that such termination is in its best interests. Upon receipt of such notice, Seller shall stop work to the extent that the order has been terminated. Within six (6) months of receipt of a notice of termination under this subparagraph, Seller shall submit its claim, if any, for the cost of performing the work to the date of termination and for the costs of terminating the work, Buyer shall pay for production acceptably completed prior to the termination date at the contract price. Buyer and Seller shall agree on other amounts to be paid Seller for work performed and costs occasioned by the termination. Nothing in this clause shall obligate buyer to pay more than the total order price, as reduced by payments made prior to the termination.

8. COMPLIANCE WITH EXECUTIVE ORDER 11246, OTHER LAWS AND REGULATIONS:

“Contractor/subcontractor undertakes to comply with Executive Order 11246, as amended, in its implementing regulations, including equal opportunity clause set forth in Section 202 of the order and 60.1.4(a) of the regulations of the Secretary of Labor, Title 41 CFR, Chapter 60, Parts 1-0, which are incorporated in this contract/subcontract by reference. In addition, the contract/subcontract incorporates by reference the affirmative action clauses of the Rehabilitation Act of 1973 at 41 CFR 60-741.4, and the Vietnam Era Readjustment Act of 1974, at 41 CFR 60-2504.

9. GOVERNMENT CONTRACT: If a government contract number is noted on the face of this order, the provisions of PolyOne Corporation Form Number 3031 covering Defense Acquisition Regulations (DAR) will apply and will be attached.

10. INDEMNIFICATION: Seller undertakes to protect, defend, hold harmless and indemnify Buyer from and against any and all claims, actions, liabilities, losses, costs and expenses arising out of any actual or alleged death of or injury to any person, damage to any property, or any other damage or loss by whomsoever suffered, resulting or claimed to have resulted in whole or in part from any actual or alleged defect in any merchandise purchased hereunder, whether latent or patent including actual or alleged improper construction or design of said merchandise or the failure of said merchandise to comply with specifications or with any express or implied warranties of Seller, or arising out of any actual or alleged violation by such merchandise, or its manufacture, possession, use or sale, or any law, statute or ordinance or any governmental administrative order, rule or regulation. This agreement by Seller shall not be affected or limited in any way by Buyer’s extension of express or implied warranties to its customer, except to the extent that any

such Buyer's warranties expressly extend beyond the scope of Seller's warranties, express or implied, to Buyer, Seller agrees to obtain and maintain, at its expense, a policy or policies of products and contractual liability insurance.

11. GENERAL:

- a) Neither this order nor any moneys due or to become due there under may be assigned by Seller without the written consent of Buyer.
- b) Failure by Buyer at any time and from time to time to enforce any term or conditions of this order shall not be deemed to be a waiver there of on the same or on subsequent occasions nor a waiver of any other term or condition hereof.
- c) This agreement shall impose liability on the Seller only to the extent permitted by applicable law and to the fullest extent permitted thereby. Any provision hereof prohibited by such law shall be deemed to be void without affecting the rest of the agreement.
- d) The receipt by Buyer of any quotation form, sales confirmation or acknowledgment, or any other proposal shall not in the absence of a written acknowledgment and acceptance by Buyer expressly agreeing to same, have the effect of changing in any manner or adding to the terms and conditions hereof. This offer hereby expressly limits acceptance by the Seller to the terms and conditions hereof. Notice of objection to different or additional terms or condition is hereby given.

12. PASSAGE OF TITLE, RISK OF LOSS: Payment of freight charges will not determine passage of title. Seller's delivery obligation will not be deemed complete, nor will title pass to Buyer until Buyer has inspected at the Buyer's dock the merchandise shipped under the contract and the Buyer has accepted the merchandise as being in conformity will all representations made by seller when it was ordered. Acceptance of the goods will not operate as a waiver of any of the buyer's right under this Purchase Document at law, in equity or otherwise.

13. DELIVERY TERMS: The Delivery Terms specified in this contract are strictly governed by "INCOTERMS 2000", unless expressly stated otherwise. If delivery terms specified in the purchase contract are FCA and/or CPT Seller's Facility, Seller will ship via the method, carrier, and /or route specified in the instructions provided by the Buyer. The bill of lading must indicate PolyOne's release number.

14. HARMONIZED CODE NUMBER, COUNTRY OF ORIGIN, & NAFTA: Seller will provide the Buyer with the Harmonized Code number and country of origin for each product specified in the Purchase document. If product supplied by Seller qualifies for the North American Free Trade Agreement (NAFTA), Seller will provide the Buyer with an annual NAFTA Blanket Certificate of Origin. The annual blanket NAFTA Certificate of Origin must be in the possession of the Buyer no later than December 15th of each year. If changes are made with disqualify product from NAFTA qualification during the calendar year indicated in the NAFTA

blanket certificate of origin, the Seller must immediately provide written notification to Buyer. Seller hereby indemnifies Buyer against all costs and duty arising from misrepresentation or false declaration(s) in Seller's NAFTA certificate of origin.

Buyer shall have a right to any duty drawbacks available on goods imported, sold to Buyer by Seller and subsequently exported by Buyer incorporated into goods manufactured by Buyer using the same. Seller will co-operate with Buyer in all respects in efforts by Buyer to claim the same, including providing documentation and executed those drawback documents reasonably required to effect drawback.

15. **OTHER DOCUMENTS.** In the event that Seller and Buyer shall have entered into a separate written agreement signed by both Seller and Buyer respecting the purchase and sale of the Supplies and Services, then the provisions of such separate written agreement shall control and the stated terms and conditions contained in this document (PolyOne Corporation, Terms and Conditions of Purchase, Supplies & Services, (Non-Raw Materials)) shall not apply.
16. **SUPPLIER CODE OF CONDUCT.** To ensure a mutually beneficial and productive relationship, PolyOne asks all suppliers to adhere to our safety procedures and security policies within manufacturing plants; distribution centers; sales; regional; or corporate offices.

Further, we expect our suppliers will:

- ✓ Conduct all commercial negotiations in a responsible, ethical and lawful manner.
- ✓ Treat all transactions and dealings with PolyOne as confidential and proprietary. Outside communications about PolyOne require prior written consent.
- ✓ Provide value-added services by sharing engineering, technical and product information with PolyOne associates for the purpose of making process and productivity improvements; developing project scopes and equipment specifications; and demonstrating best business practices.
- ✓ Inform PolyOne of financial, economic, supply changes, government regulations or other material conditions that could affect ongoing operations or operating decisions.
- ✓ Provide all proposals in writing and direct a copy of business correspondence to the appropriate sourcing and procurement professionals.
- ✓ Refrain from offering PolyOne employees money, loans, credits, prejudicial discounts, gifts, products or services for their personal use or benefit. Meals and entertainment for the purposes of developing business relationships must be within reasonable, customary, and lawful business practices in the country or industry. Suppliers are expected to comply with all applicable import and export controls, as well as all trade compliance and antitrust laws.
- ✓ Avoid conflicts of interests that involve business dealings with family members and close personal friends at PolyOne.