

**STANDARD CONDITIONS OF PURCHASE**

Conditions applicable to the purchase of goods and rendering of services to Cytec Latvia SIA, hereafter to be referred to as Buyer.

**1. GENERAL**

1.1 The present document, along with the purchase order to which it relates ("the Purchase Order"), contains all the terms and conditions of the parties' agreement concerning the goods ("the Goods") or services ("the Services") ("the present Agreement").

1.2 Different or additional terms or conditions in seller's ("the Seller") responses are hereby expressly rejected and no subsequent conduct by Buyer shall be deemed to be an acceptance thereof.

1.3 The present Agreement may not be added to, modified or superseded except by a written instrument signed by an authorised representative of the Buyer.

1.4 In the event of any inconsistency between the provisions in the Purchase Order or in any formal separate contract which is in writing and the present Agreement, the provisions of the Purchase Order or the formal separate written contract shall prevail.

**2. CONCLUSION OF AGREEMENT**

2.1 Seller's action in (a) returning an acknowledgement copy of this Purchase Order, (b) delivering Goods or materials, or (c) performing Services, shall constitute Seller's unqualified acceptance to be bound by the present Agreement.

**3. SPECIFICATIONS AND WARRANTIES**

3.1 The quality, quantity and description of the Goods and/or the Services shall be in strict conformity with the Purchase Order and/or any applicable specification(s) supplied by the Buyer to the Seller or agreed in writing by the Buyer.

3.2 The Seller warrants that all Goods and Services delivered are:

3.2.1 of first-class design, construction, execution, materials, composition and quality;

3.2.2 if applicable, in conformity with drawings, other data and the standards designated by Buyer;

3.2.3 of merchantable quality and fit for their intended use;

3.2.4 free of liens and all other encumbrances;

3.2.5 in conformity with applicable government laws and regulations;

3.2.6 Free of all patent, license and other intellectual property rights of third parties.

All warranties are continuing and survive acceptance of the Goods or Services by the Buyer.

**4. PRICE**

4.1 The price of the Goods and/or Services shall be stated in the Purchase Order and unless so stated shall be:

4.1.1 exclusive of any applicable value added tax and goods and services tax;

4.1.2 inclusive of all other imports and taxes, duties, transport and travelling costs, and costs of insurance, adequate packaging, unloading, inspections, tests, certificates and the like.

4.2 The price shall not be subject to change without the prior written consent of the Buyer.

**5. PAYMENT**

5.1 The Seller shall invoice the Buyer at any time after delivery of the Goods or performance of the Services.

5.2 Unless otherwise agreed, payment shall be due sixty (60) days after the end of the month following receipt of a correct invoice or the Goods and/or Services, whichever is later. Payments initiated on the second working day of the month following the payment due date shall be deemed timely upon initiation.

5.3 The Buyer shall be entitled to set off any amount owed to Buyer or any of its affiliated companies from Seller or any of its affiliated companies against any amount payable by Buyer to Seller. In the event such set off involves an affiliate of Seller, Seller hereby agrees to joint and severally liable on any debt owed

by such affiliate up to the amount payable by Buyer to Seller.

5.4 Seller may not assign any moneys due or which are to become due under the present Agreement without the written consent of the Buyer.

**6. DELIVERY**

6.1 Delivery takes place on agreed INCOTERMS (ICC INCOTERMS 2000). If no INCOTERMS terms apply, delivery shall be understood to occur at the moment unloading has finished taking place at the location designated by Buyer.

6.2 Time of delivery of the Goods and of performance of the Services is of the essence and shall start to run from the date of acceptance by the Seller of the Purchase Order or the date on which the Seller is placed in possession of such information and drawings as may be necessary to enable him to start work on the Goods or the Services, whichever may be the later.

6.3 Delivery of Goods in instalments shall be permitted only with the consent of the Buyer and such permission, if given, shall not entitle the Seller to claim payment prior to completion of the present Agreement unless the Buyer has agreed in writing.

6.4 If the Buyer is not able to accept delivery of the Goods or installation of the Goods when due, the Seller shall be responsible for arranging suitable storage at suitable premises of the Goods, advising the Buyer beforehand of the particulars of such proposed storage and the Seller shall also ensure that the Goods and the premises in which they are stored are properly insured against all the usual risks and notify the Buyer of such insurance cover.

6.5 If delivery is made before the delivery date specified in the Purchase Order, the Buyer may return the Goods to the Seller at the Seller's risk and expense.

6.6 Each delivery must be accompanied by details of the exact quantity and description of the Goods and/or the Services performed.

Shipping documents and a separate invoice stating the relevant Purchase Order number for each shipment must be sent by first class mail to the Buyer's plant or office which issued the Purchase Order on the day on which the shipment is made, marked for the attention of the Accounts Office.

When Goods are invoiced by the Seller but shipped by a third party, the invoice shall bear the name of the shipper and the point from which the delivery originated. If shipment is not delivered to the Buyer's premises, the original bill of lading must be furnished with the invoice(s).

The Buyer's count shall be accepted as final on all shipments.

6.7 Delivery is completed only if the agreed Goods or Services are delivered in their entirety in accordance with the present Agreement at the location designated by Buyer.

6.8 If the Seller is in the position of being able to supply some but not all of its customers, the Buyer shall be given priority over all other of the Seller's customers.

**7. CHANGES/EXTRA WORK**

7.1 The Seller shall not make any changes in designs or specifications to the Goods or Services except with the written consent or at the written request of Buyer.

7.2 The Seller shall not change or modify the Goods, its production processes or methods, production location, qualitative and/or quantitative compositions, reagents, ingredients and/or solvents used in the production process without the prior written consent or at written request of the Buyer. In case the Seller intends to implement one of the described changes or modifications it shall inform the Buyer hereof at least 3 months in advance.

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7.3 The Seller shall at all times make technically feasible changes in or additions to agreed Goods or Services, as desired by Buyer.

7.4 Changes and additions shall not lead to an increase in the agreed price or an extension of the agreed time of delivery unless and to the extent reasonable and provided that within five (5) days after the request of Buyer for such changes or additions the Seller has made a written proposal to Buyer with respect to an increase or an extension before the execution of said changes or additions and also provided that Buyer has agreed in writing with the changes and additions as well as the indicated price by Seller before they are executed.

7.5 Buyer is entitled to unilaterally terminate the present Agreement in whole or in part if implementation of the changes or additions it desires does not appear to be possible on conditions acceptable to it. In this case, the Seller shall be entitled, if applicable, to compensation as set out under article 16.3.

**8. BUYER'S MATERIALS AND EQUIPMENT AND INTELLECTUAL PROPERTY RIGHTS**

8.1 All specifications, drawings, patterns, artwork, designs tools, dies, moulds and other items furnished by the Buyer to the Seller or the cost of which is charged against the Purchase Order (a) are confidential and shall not be disclosed by the Seller to any other person without the prior consent of the Buyer, (b) shall not be copied or used for any other purpose other than for the carrying out of the Purchase Order, (c) shall remain the property of the Buyer, (d) shall be returned at the Seller's risk and expense in good order and condition to the Buyer immediately upon request or on completion of the Purchase Order and (e) shall be insured against all risks by the Seller whilst they are in its possession.

8.2 If any item furnished by the Buyer to the Seller or the cost of which is charged against the Purchase Order is damaged or destroyed whether due to the defective workmanship of the Seller or any other reason it shall be replaced or paid for by the Seller.

8.3 Where the Goods are designed, created or otherwise developed by or for the Seller pursuant to the Purchase Order, then all intellectual property rights therein or relating thereto throughout the world (including, without limitation, patents, copyrights, design rights, registered designs, trade marks, service marks and know-how and the rights to apply for any of the foregoing) ("the Intellectual Property Rights") shall belong to the Buyer absolutely. The Seller hereby assigns the Intellectual Property Rights to the Buyer with the intent that upon the making or creation thereof the Intellectual Property Rights shall automatically vest in the Buyer and the Seller shall, at the Buyer's request, (and notwithstanding the termination of the present Agreement) sign and execute and procure the signature and execution of all such documents and do all such acts as the Buyer may reasonably require to vest such Intellectual Property Rights in the Buyer.

8.4 The Seller warrants that the delivered Goods and/or Services and the use thereof do not violate any intellectual or industrial property rights.

**9. PROHIBITION ON CONTRACTING OUT**

9.1 The Seller is not allowed to transfer or contract out to third parties, in whole or in part, the implementation of the present Agreement except with the written consent of the Buyer.

**10. INSPECTION, TESTING, NO RELEASE**

10.1 Buyer is at all times entitled to inspect or have inspected, to examine or have examined and/or to test or have tested the Goods or Services, irrespective of where the Goods are located or the Services are

performed.

10.2 Inspection, examination, testing, purchase and/or payment by or on behalf of Buyer does not release the Seller from any obligation or liability under the present Agreement.

10.3 Buyer shall notify Seller of defects within thirty (30) working days upon receipt of the Goods or Services except in case of hidden defects where such notification shall be made thirty (30) working days from discovery of such defect.

**11. RISK AND TRANSFER OF TITLE**

11.1 Goods to be delivered and/or Goods with respect to which Services will be performed are for the account and risk of the Seller until the completion of the delivery as referred to in article 6.7.

11.2 If Buyer makes any payment before delivery, the title to the Goods to be imputed to that payment is transferred to Buyer at the moment of payment. The Seller is obligated to identify and to keep identifiable the Goods belonging to the Buyer which are still present at the Seller's. For these Goods, the Seller shall hold them on behalf of the Buyer.

**12. BUYER'S IDENTIFICATION**

12.1 The Seller agrees that any identification used by the Buyer such as trade marks, trade names logos or any markings of decorative styling shall be used only on articles supplied to the Buyer.

**13. PUBLIC ORDER, SAFETY AND ENVIRONMENT**

13.1 The Seller and its employees or third parties brought in by it applicable at all locations relevant under the present Agreement must strictly comply with all rules, regulations, orders and instructions in force in the place where the work is performed with respect to public order, safety and the environment.

13.2 Seller warrants that all applicable regulatory requirements are complied with. In case the REACH Regulation No 1907/2006 of the European Parliament and the Council (REACH) applies, the latter warranty shall apply until the Goods, its chemical elements and/or compounds as defined by Art. 3 paragraphs 1) and 2) REACH have reached the end of the supply chain. Seller furthermore warrants undertaking its best efforts to keep and defend the marketability of the Goods, including but not limited to, pre-registration, registration, application for authorization and/or defense against restriction. Seller shall constantly follow the regulatory status of the Goods, its chemical elements and/or compounds and inform BUYER immediately about any discussion of their regulatory status.

**14. LIABILITY AND REJECTION OF PRODUCTS**

14.1 The Seller hereby agrees to indemnify and hold the Buyer, its subsidiaries and the officers, directors and employees of the Buyer harmless from and against any and all actual or alleged claims, demands, loss, damage, liabilities, settlement amounts, costs or expenses whatsoever (including court costs and reasonable attorneys' fees and costs) arising from, (a) a breach of Seller under the present Agreement, which breach shall include, without limitation, (i) a defect occurring in the manufacture, processing, packaging or labelling of the Goods, and (ii) a breach of any of the warranties set out under articles 3; 8.4 and 13.2; (b) injury to property or persons arising out of the act or omission or the negligence of the Seller, its employees, servants, agents, sub-contractors or others in connection with the performance of the present Agreement save in so far as the same is attributable solely to the negligence of the Buyer or its employees, servants, agents or sub-contractors.

14.2 The Buyer reserves the right to reject all or any part of the Goods and/or the Services which the Buyer considers do not conform with article 3 of the present

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Agreement or to the Purchase Order and to return such rejected Goods to the Seller at the Seller's risk and expense and without prejudice to any other remedy the Buyer may have at law, the Buyer may, at its option, have the rejected Goods and/or Services or part thereof replaced or re-performed by the Seller at the Seller's expense.

**15. INSURANCE**

15.1 The Seller shall at all times possess the following insurance cover:-

15.1.1 Civil Liability, including Product Liability, to a minimum of \$1,000,000 (USD) for any one incident and \$2,000,000 (USD) in aggregate losses unless otherwise agreed by the Buyer in writing;

15.1.2 Auto Liability for property damage and/or bodily injury caused to Buyer's property or to person(s) by any motor vehicle in the control of the Seller, its employees, agents and sub-contractors to a minimum of \$1,000,000 (USD);

15.1.4 all other loss, damage, injury or other claim incurred to or by the Seller or the Buyer which may arise out of the present Agreement.

15.2 Upon request the Seller shall submit evidence of such insurance to the Buyer for approval prior to commencing any work under the present Agreement.

**16. SUSPENSION/RESCISSION/TERMINATION**

16.1 Buyer is authorised to suspend its obligations pursuant to the present Agreement or to unilaterally terminate the present Agreement in whole or in part (hereafter: rescission) by means of a written declaration and without previous notice of default, if and insofar as the Seller does not, does not in a timely fashion, or does not adequately fulfil any obligation toward Buyer, as well as in case of initiation of insolvency or bankruptcy of the Seller, attachment of (a part of) its company property or goods intended for the implementation of the present Agreement, and closing down or liquidation of its business. In that case, Buyer is only obligated to compensate the Seller at the pro-rata price for the Goods or Services already delivered, but only insofar as the Services delivered were also in fact useful to Buyer, and/or Buyer desires to keep the Goods, all this without prejudice to Buyer's right to damages to which it is entitled by virtue of article 14.

16.2 Failure to fulfil in a timely fashion as referred to in article 16.1 also occurs if there is a delay in production or implementation plans received or stipulated by Buyer, or if under the circumstances, the presumption is reasonably justified that a delay shall take place in the execution of any (part of an) obligation under the present Agreement.

16.3 Buyer is authorised to unilaterally terminate the present Agreement in whole or in part by means of a written declaration if the agreement with its buyer or customer for whose benefit the present Agreement with the Seller was solely entered into is for whatever reason rescinded, terminated or suspended in whole or in part. In that case, as well as in the case of article 7.5, Buyer is only obligated to compensate the Seller at the pro-rata price for the Goods or Services already delivered.

16.4 If Buyer or the Seller is prevented from fulfilling the present Agreement for more than thirty (30) days by force majeure, both parties are entitled to terminate the present Agreement by means of a written declaration of rescission, against compensation at the pro-rata price for the Goods or Services already delivered. Force majeure events shall mean natural disasters, any form of military operations, blockades, embargo, prohibition of export-import and other events beyond the control of the Parties, which the Parties were not able to foresee or take into account at the date of signing the Agreement.

16.5 Apart from the above-mentioned cases, Buyer is authorised to unilaterally terminate the present Agreement at any time by means of a 10 (ten) business days prior written declaration, against payment at the pro-rata price for the Goods or Services already delivered. In such case the Seller shall not be entitled to claim from the Buyer compensation of any loss or damage caused by such termination of the Agreement.

**17. DISPUTES AND APPLICABLE LAW**

17.1 All disputes existing between the parties shall be heard exclusively by the competent court of the registered seat of the Buyer's entity that has made the Purchase Order, unless Cytec prefers another competent forum;

17.2 The present Agreement between Buyer and Seller is subject to the law of the country in which the Buyer's entity that has made the Purchase Order has its registered seat. The application of the UN Convention of Contracts for the International Sale of Goods is excluded.

**18. GENERAL**

18.1 Failure to exercise or delay in exercising any right or power under the present Agreement shall not operate as a waiver nor shall any single or partial exercise of any right power or privilege preclude any other or further exercise thereof or the exercise of any other power right or privilege.

18.2 The Buyer is a member of the group of companies whose ultimate holding company is Cytec Industries Inc., and accordingly, the Buyer may perform any of its obligations or exercise any of its rights hereunder by itself or through any other member of its group, provided that any act or omission of any such other member shall be deemed to be the act or omission of the Buyer;

18.3 Notwithstanding any other provision of the present Agreement, or any forecast, estimate, or course of dealing between the parties, Buyer shall not be required to order, or take or pay Seller for any minimum quantity of Goods.

18.4 Should any part of the present Agreement be held unenforceable or in conflict with the applicable laws or regulations of any jurisdiction, the invalid or unenforceable part or provision shall be replaced with a provision which accomplishes, to the extent possible, the original business purpose of such part or provision in a valid and enforceable manner, and the remainder of the present Agreement shall remain binding upon the parties.