



United Paint & Chemical Corporation Purchase Order Terms and Conditions

Offer, Acceptance, and Notification

This order is an offer to Seller by United Paint & Chemical Corporation (hereafter designated as UPCC) to enter into the agreement it describes and it shall be the complete and exclusive statement of such agreement. Any additions or modifications proposed by Seller are expressly rejected by UPCC and are not part of the agreement in the absence of unless authorized in writing by UPCC. By acceptance of this order, Seller warrants that all merchandise complies with the applicable local, state, and federal laws.

Delivery

Deliveries shall be made in both quantities and at times specified herein. Seller shall adhere to shipping directions as specified by UPCC. UPCC may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price of goods or services covered by this order. Delivery shall be 100% on time as dictated by this order. Failure to comply with specified delivery allows UPCC the right to cancel all or part of this order.

Premium Shipments

Premium shipping expenses and/or other related expenses necessary to meet stated delivery schedules shall be the Seller's sole responsibility. This shall include back orders when less than a minimum freight shipment has been sent.

Documentation

Invoices must bear exact prices and terms as specified by the purchase order. Authorization for changes must be received and approved by UPCC prior to shipment. Packing slips and certificates of analysis shall accompany or precede each shipment. Packing slip shall identify corresponding purchase order number. Certificates of analysis shall include information for lot traceability as well as material specification ranges and results. Shipments shall be deemed delivered/received only when the materials ordered and the appropriate certificates of analysis have been received.

Inspection

UPCC shall have the right to enter Seller's facility at reasonable times to inspect the facility, goods, materials, and any property of UPCC covered by this order. UPCC's inspection of the goods, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished goods.

Nonconforming Goods

UPCC, at its option, may reject and return at Seller's risk and expense, or retain and correct, goods received pursuant to this order that fail to conform to the requirements of this order even if the nonconformity does not become apparent to UPCC until the manufacturing or processing stage. Should UPCC reject goods as nonconforming, the quantities under this order will not be reduced by the quantity of nonconforming goods unless UPCC otherwise notifies Seller in writing. Seller will replace nonconforming goods with conforming goods unless otherwise notified by UPCC. Seller's failure to provide instructions within ten (10) days after notice of nonconformity shall entitle UPCC to charge Seller for storage, handling or disposal of goods without liability to UPCC. Seller shall reimburse UPCC for:

- Any amounts paid by UPCC on account of the purchase price for any returned nonconforming goods.
- Any costs incurred by UPCC in connection with the nonconforming goods, including but not limited to inspection, sorting, testing, evaluations, storage, rework, scrap, and/or charges incurred by UPCC externally.

Payment by UPCC for nonconforming goods shall not constitute acceptance hereof, limit or impair UPCC's right to assert any legal or equitable remedy, or relieve Seller's responsibility for latent defects. Seller additionally assumes responsibility for any freight costs incurred involving nonconforming product.



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North American Free Trade Agreement Provisions

Upon acceptance of this order, Seller/Manufacturer is obligated to provide, upon request, UPCC with NAFTA certificates of Origin for all components and raw material supplied for the duration of this order. The NAFTA Certificates of Origin must include UPCC's plant location as supplied.

Quality and Environmental Systems

Seller/Manufacturer shall have ISO 9000:2000 as their fundamental quality system and provide certificates of registration upon request. UPCC reserves the right to verify conformance to the requirements of the above standards. Manufacturer shall additionally comply with the requirements of ISO 14001 as their fundamental environmental management system.

Certificates of analysis **on production raw materials** shall include information for lot traceability as well as material specification ranges and results. Shipments shall be deemed delivered/received only when the materials ordered and the appropriate certificates of analysis have been received.

Performance Evaluation

Seller's performance is evaluated on a regular basis. This evaluation includes, at a minimum, delivery performance, product quality, UPCC support, and cost. Seller's not meeting UPCC's requirements may result in cancellation of this order.

Compliance

Seller agrees to comply with all federal, state, local, and foreign laws, Executive Orders, rules, regulations, and ordinances that may be applicable to Seller's performance of its obligations under this order. All purchased materials sold shall satisfy current governmental and safety constraints on restricted, toxic, and hazardous materials as well as environmental, electrical, and electromagnetic considerations applicable to the country of manufacture and sale.

Disclaimer

In the event of our business in whole or in part by reason of fire, flood, windstorm, earthquake, or other acts of God is interrupted, UPCC has the option of canceling undelivered orders in whole or part. Additionally, should the business be interrupted by war, strike, embargo, governmental action, or any other causes beyond our control, UPCC reserves the right to cancel all orders.