



A CSW Industrials Company

TERMS AND CONDITIONS OF PURCHASE

1. **AGREEMENT.** Unless RectorSeal or any of its subsidiaries ("**Buyer**") has executed a separate formal written agreement with the entity ("**Seller**") supplying the goods and services (the "**Products**") identified in Buyer's purchase order ("**PO**"), these Terms and Conditions of Purchase, together with the PO, form the agreement under which Buyer agrees to purchase the Products from Seller (this "**Agreement**"). The list of Products to be purchased, including Product numbers; (b) the quantity of each of the Products ordered; (c) the unit price for each of the Products to be purchased (the "**Price**"); (d) the date quoted for delivery (the "**Delivery Date**"); (e) the location for delivery of the Products (the "**Delivery Location**") and (f) Buyer's billing address are made under the terms and conditions of this Agreement and supersede all prior quotations and agreements. Buyer's purchase of the Products from Seller is expressly conditioned upon Seller's acceptance of this Agreement, without variance. Terms or conditions other than those stated herein, whether contained in Seller's order acknowledgement, invoice, delivery ticket or other document, whether submitted contemporaneously or in the future, that purports to vary the terms and conditions of this Agreement are expressly rejected by Buyer and will not be binding upon Buyer unless signed by an officer of Buyer. All negotiations, proposals and representations of the subject matters covered herein are merged herein, and this writing constitutes the complete and exclusive statement of the same. Seller's fulfillment of the PO constitutes acceptance of this Agreement.

2. **CANCELLATIONS AND CHANGE ORDERS.** Buyer may cancel the PO at any time upon 10 days' advance written notice. If Buyer cancels the PO, Buyer will be responsible for any reasonable cancellation costs incurred by Seller through the effectiveness of the cancellation notice, which will be documented and provided to Buyer within 15 days of cancellation effectiveness. Buyer may at any time, by written instructions issued to Seller (each a "**Change Order**"), order changes to the Products. Seller will within 15 days' receipt of a Change Order submit to Buyer a firm cost proposal for the Change Order. If Buyer accepts such cost proposal, Seller will proceed with the change subject to the cost proposal and this Agreement.

3. **PRICE.** The Price of the Products is the price stated in the PO. If no Price is included in the PO, the Price will be the lowest of the price set out in Seller's published price list in force as of the date of the PO or those quoted to any of Seller's customers prior to completion of this Agreement. Unless otherwise specified in the PO, the Price includes all packaging, transportation costs to the Delivery Location, insurance, customs duties and fees and applicable taxes, including all sales, use or excise taxes. No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of Buyer.

4. **PAYMENT TERMS.** Seller will issue an invoice to Buyer on or any time after the completion of each delivery and only in accordance with this Agreement. Unless a different currency is stated in the PO, Buyer will pay Seller in USD. Buyer will pay all properly invoiced amounts due to Seller within the time frame stated in the PO, except for any amounts disputed by Buyer in good faith. If Seller offers a discount for timely or early payment, time will be computed from the later of the date of actual delivery or Buyer's receipt of a valid invoice, until Buyer's payment is transferred electronically or placed in post. Without prejudice to any other right or remedy, Buyer reserves the right to set off any amount owed to it by Seller against any amount payable to Seller under this Agreement. In the event of a payment dispute, Buyer will deliver a written statement to Seller prior to the date payment is due on the disputed invoice listing all disputed items and providing a reasonably detailed description of each disputed item. Amounts not so disputed are deemed accepted and must be paid, notwithstanding disputes on other items. The parties will seek to resolve all such disputes expeditiously and in good faith. Each party will bear its corresponding taxes related to this Agreement, as applicable.

5. **DELIVERY.** The terms of sale under this Agreement will be governed by Incoterms 2020. Buyer's PO will indicate the shipping terms (i.e., EXW, FOB, DAP). Seller acknowledges that time is of the essence with respect to Seller's obligations under this Agreement and the timely delivery of the Products in the correct quantity on the Delivery Date. If any delivery is threatened to be delayed, Seller will promptly provide notice to Buyer's purchasing department of such delay or threatened delay. If Seller fails to deliver the Products in full on the Delivery Date, Buyer may terminate this Agreement by providing written notice to Seller, and Seller will indemnify Buyer against any losses, claims, damages, and reasonable costs and expenses directly attributable to Seller's failure to deliver the Products on the Delivery Date. In the event of termination pursuant to this paragraph, Buyer will have the right, in addition to any other rights and remedies conferred by law or under this Agreement, to procure goods and/or services similar to those terminated, and Seller will be liable to Buyer for any excess costs for such similar goods and/or services. Seller will deliver all Products to the Delivery Location during Buyer's normal business hours or as otherwise instructed by Buyer. Seller will pack all goods for shipment according to Buyer's instructions or, if there are no instructions, in a manner sufficient to ensure that the Products are delivered in undamaged condition. Seller must provide Buyer prior written notice if it requires Buyer to return any packaging material. Any return of such packaging material will be made at Seller's risk of loss and expense. For all shipments of Products, the PO number must appear on all shipping documents, shipping labels, bills of lading, air waybills, invoices, correspondence and any other documents pertaining to the PO. Palletized Products will be identified by marking on each side of the pallet. Except as otherwise provided in this Agreement, Seller retains all title and risk of loss of all Products, work in process and other property of either party used in the performance of the PO, and the same will pass to Buyer only upon delivery of the Products at the Delivery Location.

6. **WARRANTIES.** Seller warrants to Buyer that for a period of 1 year from the later of the Delivery Date or the date the Products are placed in use, but in no event later than 2 years from the Delivery Date, all Products will (a) be free from any defects in workmanship, material and design; (b) conform to applicable specifications, drawings, designs, samples and other requirements specified by Buyer, if any; (c) be free and clear of all liens, security interests or other encumbrances; and (d) not infringe or misappropriate any third party's intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment of or for the Products by Buyer. The warranties set forth in this Section are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of the Products with the foregoing warranties. If Buyer notifies Seller of defective Products, Buyer will hold any such Products for Seller's disposition at Seller's expense and risk of loss, and Seller will, at Seller's cost and expense, promptly replace or repair the defective Products and pay for all related expenses, including, but not limited to, transportation charges for the Products' return to Seller and the delivery of repaired or replacement Products to Buyer. If Seller fails to timely deliver repaired or replacement Products, Buyer

may replace them with goods from a third party and charge Seller the cost thereof. Seller warrants that (a) Seller has the required skill, experience and qualifications to perform the services; (b) Seller will perform the services in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services; and (c) Seller will devote sufficient resources to ensure that the services are performed in a timely and reliable manner. If Seller is unable to perform the services as warranted, Seller will reimburse Buyer any fees paid to Seller for the unsatisfactory services.

7. **INSPECTION AND REJECTION OF NONCONFORMING PRODUCTS.** Buyer has the right to inspect all or a sample of the Products on or after physical receipt thereof, and may reject all or any portion of the Products reasonably determined to be nonconforming. If Buyer rejects any Products, Buyer may, upon written notice to Seller, (a) rescind this Agreement in its entirety; (b) accept the Products at a reasonably reduced Price; or (c) require repaired or replacement Products pursuant to Section 6. Any inspection or other action by Buyer under this Section will not affect Seller's obligations under the Agreement, and Buyer has the right to conduct further inspections after completion of remedial actions. If Buyer accepts Products at quantities different from the quantity ordered, the Price will be adjusted on a pro-rata basis.

8. **CONFIDENTIAL INFORMATION.** The PO, as well as all non-public, confidential or proprietary information of Buyer, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer/vendor/business partner lists or identities, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential", in connection with this Agreement is confidential, solely for the purpose of performing this Agreement, and may not be disclosed or copied unless authorized in advance by Buyer in writing. Upon Buyer's request, Seller will promptly return all documents and other materials received from Buyer. Buyer will be entitled to injunctive relief for any violation of this Section.

9. **COMPLIANCE WITH LAWS.** Seller will comply with all applicable laws, regulations and ordinances governing the export/import and sale of the Products (including any services), including all applicable laws related to commerce, environmental, health and occupational safety, employment and labor, US, UK and other foreign bribery and corruption laws, anti-boycott measures, export/import control and economic sanctions and embargoes, international customs requirements and the local laws in countries of import. Seller will maintain in effect all licenses, permissions, authorizations, consents and permits necessary to carry out its obligations under this Agreement, and Seller will, upon request, furnish to the Buyer certificates or other documents verifying the same. Seller assumes all responsibility for shipments of Products requiring any government import clearance.

10. **INDEMNIFICATION.** Seller will defend, indemnify and hold harmless Buyer and Buyer's parent company, their subsidiaries, affiliates, successors or assigns and their respective directors, officers, shareholders and employees (collectively, "**Indemnitees**") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "**Losses**") arising out of or occurring in connection with (a) the Products purchased from Seller; (b) Seller's negligence or willful misconduct; and (c) any claim that Indemnitees' use or possession of the Products infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party. Seller will not enter into any settlement relating to the matters in this paragraph without Buyer's prior written consent.

11. **LIMITATION OF LIABILITY.** EXCEPT FOR SELLER'S LIABILITY (A) UNDER SECTIONS 9 AND 10 OF THIS AGREEMENT; OR (B) FOR FRAUD, PERSONAL INJURY OR DEATH, IN NO EVENT WILL EITHER PARTY OR ITS REPRESENTATIVES BE LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO ANY BREACH OF THIS AGREEMENT. With the exception of payment and confidentiality obligations, neither party will be liable if its performance is delayed or made commercially impracticable due to any unforeseen circumstances or causes beyond such party's reasonable control (aka force majeure).

12. **TERMINATION.** In addition to any remedies that may be provided under this Agreement, Buyer may terminate this Agreement with immediate effect upon written notice to Seller, either before or after the acceptance of the Products, if Seller has not performed or complied with any of this Agreement, in whole or in part or if the Seller becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors. If Buyer terminates the Agreement for any reason, Seller's sole and exclusive remedy is payment for the Products received by Buyer prior to termination.

13. **MISCELLANEOUS.** This Agreement constitutes the entire agreement between Buyer and Seller and cannot be modified except by a new written contract signed by both parties. This Agreement will be governed and interpreted in accordance with the laws of the jurisdiction of the location of Buyer's principal place of business or corporate headquarters without giving effect to any choice or conflict of law provision or rule. THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS SHALL NOT APPLY TO THE PRODUCT WARRANTY OR THIS AGREEMENT. Any action against Buyer for breach of contract or otherwise must be commenced within 1 year after the cause of action has accrued. Seller will not assign, transfer, delegate or subcontract any of its rights or obligations under this Agreement without the prior written consent of Buyer. Any purported assignment or delegation in violation of this Section will be null and void. No assignment or delegation will relieve the Seller of any of its obligations hereunder. Waiver by a party of any provision hereof in one instance will not constitute a waiver as to any other instance. If any provision of this Agreement is unenforceable, the remaining provisions will remain in full effect. Buyer agrees comply with the Business Partner Code of Conduct which is available at <https://cswindustrials.qcs-web.com/static-files/22a735f1-ab5a-42c0-bf98-43a0b49e08c5>. Provisions of this Agreement which by their nature should survive termination of this Agreement, will remain in force after any such termination including, but not limited to, Sections 8, 9, 10, 11 and 12.