STANDARD TERMS AND CONDITIONS OF PURCHASE



- 1. <u>PURCHASE DOCUMENTS</u>. The attached purchase order or agreement (the "PO") and all attachments, including these Standard Terms and Conditions of Purchase ("Terms," and together with the PO, the "Agreement") for the purchase of certain goods ("Goods") are the complete agreement by and between Evonik Canada Inc. or any one of its affiliates or subsidiaries purchasing the Goods as set forth on the PO ("Buyer") and the entity selling the Goods ("Seller"), and constitute the full understanding of the parties, and the complete and exclusive statement of the terms of their agreement. No other document, including Seller's proposal, quotation, order confirmation and acknowledgement forms, and no condition, understanding or agreement purporting to modify or vary the terms of the Agreement shall be binding unless hereafter made in writing and signed by the parties. By accepting the PO, starting performance and/or shipping any Goods in connection with the PO, Seller acknowledges that Seller has read, understands, and agrees to be bound by the terms and conditions set forth in the Agreement. If Seller objects to any terms and conditions, Seller shall (a) notify Buyer in writing within three (3) days of receipt of the PO; and (b) withhold acceptance of the PO and not start any performance, or ship any Goods in connection with the PO and these Terms and Conditions, the PO shall govern and control.
- 2. <u>PROPRIETARY INFORMATION/CONFIDENTIALITY</u>. In addition to any other non-disclosure obligations set forth in a separate confidentiality agreement between the Parties (if any), Seller shall consider all information furnished by Buyer to be confidential and shall not disclose any such information to any third party, or use such information itself for any purpose other than performing obligations under this Agreement, unless Seller obtains Buyer's prior written consent. Buyer shall at all times have title to all drawings, specifications, deliverables, writings or other documents prepared or furnished to Seller under this Agreement. Seller shall not advertise or publish the fact that Buyer has contracted to purchase Goods from Seller, nor shall any information relating to any Agreement be disclosed without Buyer's prior written consent. Unless otherwise agreed to in writing, no information disclosed in any manner or at any time by Seller to Buyer shall be deemed confidential or proprietary and Seller shall have no rights against Buyer with respect thereto. This Section 2 shall survive the termination or expiration of the Agreement.
- 3. PRODUCT WARRANTY. In addition to all warranties express or implied in law, SELLER EXPRESSLY WARRANTS THAT ALL GOODS SHALL CONFORM TO ALL APPLICABLE SPECIFICATIONS, INCLUDING BUYER'S SPECIFICATIONS (IF ANY), AND APPROPRIATE STANDARDS, SHALL BE NEW AND FREE FROM ALL DEFECTS IN MATERIAL OR WORKMANSHIP, SHALL BE MERCHANTABLE AND FIT FOR BUYER'S PARTICULAR PURPOSE, AND THAT SELLER HAS TITLE TO THE GOODS FREE FROM ANY LIENS, CLAIMS OR ENCUMBRANCES WHATSOEVER. Seller shall extend all warranties it receives from its vendors to Buyer and Seller's warranty shall extend to Buyer's customers and the users of the Goods or systems into which such Goods may be incorporated, and shall be directly enforceable by a third party purchasing or receiving such Goods from Buyer. All warranties shall survive inspection, testing, delivery, use and acceptance of Goods by Buyer and expiration or termination of this Agreement.
- 4. NONCONFORMING GOODS. Buyer shall have the right of inspection and approval, and may, in addition to its other remedies, reasonable opportunity to reject and return Goods or require replacement Goods at Seller's sole cost and expense if such Goods are defective and/or not in compliance with specifications, warranty or any terms and conditions set forth in this Agreement. Payment for or use of Goods prior to inspection shall not constitute acceptance thereof and shall be made without prejudice to any and all claims that Buyer may have against Seller. Buyer's signature on any shipping/receiving document shall not constitute acceptance of Goods or any different terms or conditions, or acknowledge condition of Goods but shall merely acknowledge receipt of a shipment. Acceptance of any part of the shipment of Goods shall not bind Buyer to accept any non-conforming Goods simultaneously provided by Seller, nor deprive Buyer of the right to reject any previous or future non-conforming goods. If Seller fails to correct defects in or replace nonconforming Goods promptly, then Buyer, after reasonable notice to Seller, may make such corrections or replace such Goods and charge Seller for the cost incurred by Buyer in doing so. Destruction and clean-up costs of non-conforming Goods shall be reimbursed by Seller as well. In the event Buyer receives Goods whose defects or nonconformity is not apparent on examination, Buyer reserves the right to require replacement of such non-conforming Goods, as well as payment of damages.
- 5. <u>PRICES/TAXES.</u> Except as otherwise set forth herein, all prices described in the PO are firm unless otherwise agreed to in a writing signed by Buyer, constitute Seller's entire compensation for its performance under this Agreement, and include all applicable charges for foreign, federal, state and local taxes, import duties, license fees, demurrage, insurance, packing, freight, tariffs or other governmental charges, if any. Buyer shall not be responsible for any additional costs. There is no minimum order quantity or volume required from Buyer when ordering Goods, unless otherwise specified in the PO. Seller shall, upon request of Buyer, inform Buyer whether the Goods are imported or manufactured with imported materials and furnish Buyer with all documentation required for duty drawback for product or imported materials contained in the Goods purchased by Buyer hereunder. Seller agrees that in any case where freight regulations covering goods transported by a common carrier establish a maximum limit on the carrier's liability for loss or damage suffered in transit, Seller will be liable to Buyer for any loss or damage in excess of such maximum limit.
- 6. <u>PRICE WARRANTY.</u> Seller represents and warrants that all of the prices, warranties, benefits, terms and conditions granted to Buyer hereunder are now and shall be no less favorable than the prices, warranties, benefits, terms and conditions granted to Seller's other customers. If at any time during the term of the Agreement or any extension thereof, Seller shall offer more favorable prices, warranties, benefits, terms, or conditions for substantially the same or similar goods as those provided under the Agreement, then Seller shall within fifteen (15) calendar days after the effective date of such offering, notify Buyer of such fact in writing and offer Buyer the more favorable offering. If during the term of the Agreement, Buyer receives an offer from another supplier to supply the Goods to be supplied hereunder at a lower price than name therin, Seller shall at its option either (a) meet such lower price, or (b) permit Buyer to purchase from such source while such lower price is in effect, and the quantity purchased by Buyer will be deducted from any quantity covered by the Agreement.
- 7. <u>PAYMENT TERMS/DISPUTED INVOICES AND SET OFF.</u> Unless otherwise stated on the PO, all payment terms shall be net ninety (90) days based upon receipt of invoice. In the event that Goods are delivered in a quantity less than what is stated on the PO, Seller agrees to either (i) credit Buyer for such amount on a subsequent purchase of additional Goods by Buyer, or (ii) immediately refund Buyer for such amount, at Buyer's sole discretion. If Buyer disputes all or any portion of an invoice, it shall be required to pay only the undisputed amount. Buyer shall be entitled to set off any amount Seller owes Buyer or any of Buyer's affiliates, against amounts payable under this Agreement or any other agreement. Payment by Buyer shall not result in a waiver of any of its rights under this Agreement or any other agreement.
- 8. MANUFACTURING LOCATION. All manufacturing of the Goods shall occur in a facility approved by Buyer. Seller shall immediately notify Buyer prior to any changes in manufacturing location or other material changes in the Seller's raw materials and/or process technology that may require requalification of Goods. Seller shall also provide sufficient samples to Buyer so that Buyer can test and approve Goods.
- 9. <u>DELIVERY/TITLE AND RISK OF LOSS</u>. Delivery of Goods shall be as is set forth in the PO, and any delay in delivery is at the exclusive liability of Seller. In addition to its other rights and remedies contained herein, if delivery of Goods is not completed by the time promised, Buyer reserves the right without liability, to terminate the Agreement by notice effective when received by Seller as to items not yet shipped and to purchase substitute items elsewhere and charge Seller with any loss incurred. Title to the Goods and risk of loss remain with Seller until delivery of the Goods to, and acceptance of Goods by, Buyer. Further, title shall pass to Buyer free and clear of claims, liens and encumbrances (save Seller's right to receive payment therefor) upon delivery to and acceptance by Buyer.
- 10. FORCE MAJEURE. Delay in performance or failure to perform hereunder shall be excused to the extent arising from causes beyond the reasonable control of the party claiming such excuse and not the result of its failure to exercise due diligence, including but not limited to those caused by an act of God, labor trouble, fire, cyber attack or an act of a governmental authority. The party claiming such excuse shall give written notice to the other party as soon as practicable after the occurrence of the event giving rise to the claim and shall provide in such notice its best estimate of the duration of such event. Notwithstanding the foregoing, should Seller declare force majeure: (i) Buyer shall receive a pro rata allocation of any remaining Goods available to Seller, (ii) quantities so affected may, at the option of Buyer, be eliminated from the Agreement without liability, and (iii) Buyer may at its option terminate the Agreement.

- 11. INTELLECTUAL PROPERTY. Seller warrants that all Goods supplied hereunder, including their composition, manufacture, use and sale does not infringe, misappropriate or otherwise violate any patent, trademark, copyright, trade secret or other intellectual property right owned or controlled by a third party, including any other corporation, firm or person. Seller agrees it will, at its own expense upon receipt of notification to promptly release and hold harmless Buyer, and assume full responsibility for defense of any suit or proceeding that may be brought against Buyer or its affiliate(s), agents, customers, or other vendors for alleged patent or other intellectual property infringement, misappropriation or violation as well as for any alleged unfair competition, whether or not, resulting from similarity in design, trademark or appearance of Goods furnished hereunder. Seller further agrees to indemnify Buyer, its affiliates, its agents and customers against any and all expenses, losses, royalties, lost profits and damages (including court costs and attorneys fees) resulting from any such allegation, suit or proceeding, including any settlement. Buyer may be represented by and actively participate in any such suit or proceeding if it so desires. This Section 11 shall survive termination or expiration of the Agreement.
- 12. INDEMNIFICATION. Seller shall defend, indemnify and hold harmless Buyer, its parents, subsidiaries and affiliates, and its and their respective directors, officers, partners, employees, agents, successors and assigns (the "Indemnified Parties") against all claims, demands, lawsuits, damages, liabilities, losses, costs and expenses (including court costs and attorneys' fees) and judgments or settlements of any kind arising out of or resulting in any way from Seller's, or Sellers' agents', employees' and contractors' acts or omissions, or failure to comply with any obligations of this Agreement, or from any breach of any representation or warranty under the Agreement. Seller shall not settle or compromise any such claim or consent to the entry of any judgment without the prior written consent of each respective Indemnified Party and without an uncontional release of all claims by each claimant or plaintiff. This Section 12 shall survive termination or expiration of the Agreement.
- 13. <u>SAFETY DATA SHEETS</u>. If applicable, Seller shall furnish Buyer, prior to the first delivery, Seller's current Safety Data Sheet and other literature pertaining to the hazards associated therewith and the precautions which should be observed with respect thereto. Seller shall promptly furnish Buyer copies of any revisions to same as issued by Seller.
- 14. <u>NO WAIVER</u>. Failure of Buyer to insist on strict performance of any of these Terms shall not be considered a continuing waiver of any provisions contained herein and shall not constitute a course of dealing which would alter any terms contained herein. No purported waiver will be effective or binding unless made in writing and signed by both parties.
- 15. <u>RELATIONSHIP OF PARTIES</u>. Neither party undertakes, by the Agreement or otherwise, to perform or discharge any liability or obligation of the other party, whether regulatory or contractual, or to assume any responsibility whatsoever for the conduct of the business or operations of the other party. Nothing contained in the Agreement is intended to give rise to a partnership or joint venture between the parties or to impose upon the parties any duties or responsibilities as partners or joint venturers.
- 16. COMPLIANCE WITH LAWS. Seller shall comply with all applicable laws, rules, regulations, orders and any binding social/ethical obligations pertaining to the sourcing, production, sale, marketing, packaging, and shipping of the Goods ordered, including all human rights and anti-corruption laws that are applicable to the contractual relationship between Seller and Buyer. This includes complying with the U.S. conflict minerals regulations if Seller is directly regulated as a U.S. securities registrant or conducting due diligence and supply chain reporting on conflict minerals if Seller is not a registrant. Evonik's general expectations for its suppliers are summarized in its Code of Conduct for Suppliers (www.evonik.com/responsibility). Upon request, Seller shall furnish Buyer certificates of compliance with such laws, rules, regulations, orders, and social/ethical obligations. In addition to any other right to terminate pursuant to Section 18, any violation of such obligations of compliance in connection with this Agreement shall deemed to be a breach of contract and Buyer shall have a right to immediately terminate this Agreement upon notice to Seller. If requested by Buyer, Seller commits to participate in third party assessments and audits by independent assessors and auditors. Such assessments and audits may be requested by Buyer individually or within the scope of the "Together for Sustainability" initiative. Seller may use the results of the assessments and audits towards third parties, too. If, in the opinion of Buyer, such audit reveals material deficiencies, Seller shall address such deficiencies, to Buyer's satisfaction, within three (3) months from Buyer's notification. If Seller fails to correct all such deficiencies to Buyer's satisfaction within such three (3) month period, Buyer shall have the right to terminate the Agreement by giving Seller one (1) month written notice of its intent to so terminate.
- 17. <u>EQUAL EMPLOYMENT OPPORTUNITY</u>. Buyer complies with all applicable laws regarding equal employment opportunity, including applicable provisions contained in provincial human rights legislation.
- 18. ADEQUATE PERFORMANCE. Buyer may terminate this Agreement or any part hereof for cause in the event of any default by Seller, or if Seller fails to comply with any of the Terms. "For cause" includes, but is not limited to: late deliveries, deliveries of Goods that are defective or that do not conform to the Agreement and failure to provide Buyer, upon request, reasonable assurances of future performance if so requested. In the event of termination for cause, Buyer shall not be liable to Seller for any amount, and Seller shall be liable to Buyer for any and all damages sustained by reason of the default which gave rise to the termination. Upon termination of this Agreement for any reason, Buyer shall not be liable to Seller, either for compensation or for damages of any kind or character whatsoever. The foregoing rights are in addition to, and not in limitation of, any other remedy Buyer may have at law or in equity. Notwithstanding the foregoing, in the case of default of any provision of this Agreement by Seller, Buyer may obtain Goods from other sources and hold Seller responsible for any damages occasioned thereby.
- 19. <u>SEVERABILITY</u>. If any provision of this Agreement is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such provision shall be deemed severed from the balance of the Agreement and the validity of the remaining provisions shall not be affected thereby.
- 20. <u>ASSIGNMENT</u>. This Agreement shall be binding on the successors and assigns of Seller; provided, however that Seller shall not assign the Agreement, in whole or in part, without the prior written consent of Buyer and any purported assignment or transfer absent such consent shall be void.
- 21. <u>AMENDMENT</u>. Any amendment to any provision of these Terms must be in writing and signed by the parties, and must specifically refer to the provision of these Terms being amended to be effective. E-mail between representatives of the parties shall not constitute a writing sufficient to amend these Terms.
- 22. GOVERNING LAW/WAIVER OF JURY TRIAL. This Agreement shall be governed by the Province of Ontario and the laws of Canada applicable therein, without regard to conflicts of law principles. The parties hereby irrevocably submit to the exclusive jurisdiction of the provincial courts in the Province of Ontario for the resolution of any claim under this Agreement, and the parties agree not to assert any defence to any suit, action or proceeding based upon improper venue or inconvenient forum. THE PARTIES AGREE THAT ANY SUIT, ACTION OR PROCEEDING, WHETHER CLAIM OR COUNTERCLAIM, BROUGHT BY IT RELATED TO THIS AGREEMENT SHALL BE TRIED ONLY BY A COURT AND NOT BY A JURY. THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND INTELLIGENTLY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING.