

**STANDARD TERMS AND CONDITIONS OF MLI-ISSUED PURCHASE ORDER**

This purchase order ("PO"), which includes the following standard terms and conditions along with any specific terms and provisions, constitutes the sole and exclusive agreement for the purchase of goods and/or services by Moses Lake Industries, Inc., a Washington Corporation ("MLI") from seller or service contractor ("Vendor").

These standard terms and conditions for MLI POs are effective for all MLI POs issued on or after the Rev. Date noted in the header of this document, and supersede all other previous versions of standard terms and conditions issued before the Rev. Date noted in the header of this document.

To the extent that specific terms and provisions contradict the standard terms and conditions, the specific terms and provisions will take precedent. Acceptance of this PO by Vendor is expressly limited to the standard terms and conditions and any MLI-appended specific terms and provisions. MLI will not be bound by any terms and conditions contained in any prior oral or written communication, including, without limitation, Vendor's invoice or shipping documents, which are different from or in addition to these terms and conditions. All such inconsistent or additional terms are hereby rejected unless agreed to in writing by a manager-level or higher representative of MLI, whether or not they would materially alter this document. Vendor will be deemed to have assented to these terms and conditions upon the earliest occurrence of (i) any part of the goods and/or services described herein being shipped/performed, (ii) an invoice is presented in connection with the said goods and/or services, or (iii) upon any other acknowledgment of acceptance or commencement of performance with regard to this PO. MLI reserves the right to revoke this PO at any time prior to Vendor's receipt of notice of acceptance.

1. **Delivery** — TIME IS OF THE ESSENCE IN FULFILLING THIS PO. Unless otherwise modified by routing letter from MLI or other writing from a manager-level or higher representative of MLI, goods covered by this PO shall be shipped F.O.B. MLI's designated delivery point, Freight Prepaid and Allowed. Title to goods and risk of loss will pass to MLI only upon MLI's acceptance of the goods following delivery to and final inspection by MLI at MLI's specified end destination. Delivery in advance of the specified MLI's shipping date will not cause passage of title, transfer of risk of loss and/or establish F.O.B. point. Transportation charges on goods delivered F.O.B. destination must be prepaid. No charges for unauthorized transportation will be allowed. Any unauthorized shipment which will result in excess transportation charges must be fully prepaid by the Vendor. Unauthorized transportation charges not prepaid will be deducted by MLI. Deliveries must be made between the hours of 8:00 a.m. and 4:00 p.m. prevailing Pacific Time, Monday through Friday, and not on U.S. national holidays, unless MLI authorizes other days and times in advance of delivery.

All goods must be properly packed for shipment in accordance with good commercial practices. Any loss or damage, whenever occurring, that results from improper packaging or crating shall be borne by Vendor. Vendor shall comply with MLI's routing and shipping instructions. If instructions are not attached to the PO or have not been received already, Vendor must request instructions from MLI. Vendor shall notify MLI at least 5 business days before shipment regarding any changes in delivery of goods and/or services, or as soon as possible if Vendor becomes aware of change of delivery within 5 business days of scheduled delivery. The PO is subject to cancellation if the goods are not shipped at the specified time. MLI reserves the right to refuse deliveries made in advance of the specified delivery schedule. MLI may return goods shipped after the time specified to Vendor at Vendor's expense for full credit. Retention of all or any part of such goods shall not be considered acceptance of same. Acceptance of such goods shall not be deemed a waiver of MLI's right to hold Vendor liable for any loss or damage, nor shall it act as a modification of Vendor's obligation to make future deliveries in accordance with the delivery schedule. MLI may also, if shipment is not made on time,

purchase similar goods in the open market in such quantities as MLI may choose (but not exceeding the amount called for in the PO) and hold Vendor responsible for the difference, if any, between the price so paid and the PO price.

2. **Order Changes** - MLI shall have the right at any time to make changes in this PO by written notice to Vendor, and Vendor agrees to comply with such changes. If such changes cause a material increase or decrease in Vendor's costs or time of performance of this PO, Vendor shall notify MLI immediately and negotiate an adjustment.
3. **Payment; Price** — Terms of sale are net 30 days of date of MLI's receipt of a sufficiently clear invoice. Payment of an invoice shall not constitute acceptance of the goods and/or services, and shall be subject to appropriate adjustment for failure of Vendor to meet the requirements of this PO. If any amount of an invoice is disputed, MLI will pay only the undisputed portion of the invoice prior to resolution of the dispute. Prices for all goods and services purchased by MLI under this Agreement are as set out in the PO. Unless otherwise specified in the PO, the price includes all taxes and other charges such as shipping and delivery charges, duties, customs, tariffs, imposts and government-imposed surcharges. No extra charges of any kind will be allowed unless MLI consents to them in writing in advance of shipment. Vendor warrants that the prices charged for the goods and/or services ordered are as low as the lowest prices charged by the Vendor to any customers purchasing the same or similar goods and/or services. MLI, without liability to Vendor, may deduct from any amounts due to Vendor, any amounts owed to MLI by Vendor under this PO or otherwise, and may withhold any payment without penalty to MLI if Vendor owes any amount of money to MLI. In accepting this PO, Vendor affirms that there are no pending defaults with regard to any previous MLI-issued PO.
4. **Shipping Documentation** - All shipping documents must reference MLI's PO number. For all materials imported into the United States, Vendor shall provide an Import Security Filing 10+2 form not less than 72 hours before the goods are loaded onto an ocean vessel should such a vessel be utilized to transport goods; the form should be faxed to 509-762-5981 or emailed to [purchasing@mlindustries.com](mailto:purchasing@mlindustries.com). Vendor shall promptly notify and provide MLI with necessary or applicable supporting documents, permits, approvals, or information required to comply with export or import regulations; documents should be emailed to [purchasing@mlindustries.com](mailto:purchasing@mlindustries.com) or faxed to 509-762-5981, with originals mailed to Moses Lake Industries, Inc., c/o: Purchasing Department, 8248 Randolph Road NE, Moses Lake, Washington 98837. These documents include, but are not limited to, invoice, bill of lading, packing list, certificate of analysis ("COA"), safety data sheets ("SDSs"), and arrival notice. Additional fees, penalties, or costs borne by MLI due to Vendor's failure to comply with such regulations will be reimbursed by Vendor within 30 days of MLI's request for such reimbursement. Vendor accepts all responsibility for the accuracy and completeness of information on Certificates of Origin and letters and affidavits pertaining to shipping and customs documents. Vendor must provide MLI with any amended or revised information on a timely basis.
5. **Invoices** — All invoices must be emailed to the following email address: [accounting@mlindustries.com](mailto:accounting@mlindustries.com), followed by delivery of physical documents by mail or delivery service to: **Moses Lake Industries, Inc., 8248 Randolph Road NE, Moses Lake, WA 98837.**
6. **Notification of Changes by Vendor** - Vendor shall notify MLI upon receipt of PO and no later than at least 10 business days before shipment regarding any modification, revisions, engineering changes, process changes, etc. that affects the structure, form, fit, function, or manufacturing of the goods under this PO including but not limited to: size, shape, color, function, electrical requirements, cooling, maintainability, compatibility, interchangeability, reliability or safety agency approvals if any such changes have taken place since MLI last purchased such goods from Vendor. If Vendor becomes

aware of a need to change goods within 10 business days before shipment, Vendor will contact MLI immediately to request such change.

7. **Force Majeure** - Vendor shall not be liable to MLI if, but only to the extent, the failure to perform this PO arises out of an act of God, fire, flood, other natural disaster, act of governmental authority or other events beyond a Party's reasonable commercial control (but excluding labor disputes and economic or financial difficulties), and without the fault or negligence of the Vendor and/or their subcontractor. Vendor shall notify MLI by the timeliest means available and will confirm in writing, within two (2) business days of the inception of such delay, and describe in reasonable detail the circumstances causing such delay. In the event of such delay, MLI may, at its sole option, cancel deliveries scheduled during the period of the delay or toll the deadline for such deliveries for the duration of such delay, not to exceed thirty (30) calendar days. If the delay is likely to last longer than thirty (30) days, Vendor shall be responsible for delivering substitute or interim Goods and/or Services by the end of such thirty (30) day grace period, or MLI may, without liability, elect to cancel any portion of this PO.
8. **Inspections and Remedies** - Any goods and/or services under this PO may be inspected and tested by MLI, its customers, higher tier contractors, the U.S. Government, or an inspector chosen by MLI at all reasonable times and places. If any of the goods and/or services furnished hereunder are defective in materials or workmanship or otherwise do not conform with the requirements of the PO, MLI, in addition to any other rights which it may have, may at its option correct or have corrected the nonconformity at Vendor's expense, or reject and return such goods and/or discontinue such services at Vendor's expense. Such goods and/or services shall not be replaced or continued without written authorization from MLI. MLI may accept, without prejudice, a portion of any shipment, and, at its option, have Vendor repair or replace any non-conforming portion of the shipment at Vendor's expense. Vendor shall promptly remove rejected items at Vendor's expense and risk. MLI's acceptance of goods or services shall not be conclusive with respect to latent defects, fraud, or gross mistakes that amount to fraud, or with respect to the MLI's rights under the "Representations and Warranties" clause.
9. **Service-related provisions** – With regard to services under this PO, the Vendor shall provide MLI with proof of general liability insurance and workmen's compensation insurance if requested, provide all applicable SDSs for chemical brought on-site at MLI, provide all requested qualifications/certificates/licenses for on-site working personnel, and attend all MLI scheduled trainings and follow all other MLI-established working guidelines. With regard to the generation or transport of any waste associated with the services under this PO, Vendor will consult with MLI before any such activities are undertaken, and will abide by MLI's decisions regarding the disposition, treatment, and transport of waste. Unless otherwise specified in this PO, Vendor and MLI are independent contractors; neither is an agent or employee of the other or has any authority to assume or create any obligation or liability of any kind on behalf of the other.
10. **Representations and Warranties** — Vendor hereby represents and warrants that (i) its goods and/or services will at the time of delivery conform to Vendor's quotation/proposal, to Vendor's brochures or catalogues, and to the specifications, performance standards, and other requirements set out with the PO; (ii) its goods and/or services will be merchantable, fit for the particular purpose and sufficient for the use intended by MLI, and free from defects in workmanship and material; (iii) any services provided will be provided in a good and workmanlike manner and consistent with performance by one skilled in the field; (iv) it has full power to enter into and perform its obligations under the PO; (v) goods and/or services provided under the PO do not and will not infringe upon any third party's intellectual property rights (e.g., patent, trademark, copyright, trade secret) or any other proprietary

rights, whether contractual, statutory or common-law; (vi) Vendor has clear title to the goods and delivers them to MLI free and clear of all liens, claims, encumbrances, and other restrictions; (vii) all raw materials and other goods have not less than one-half of its shelf life remaining at the time of delivery to MLI; and (viii) in providing the goods and/or services under the PO Vendor will comply with all applicable laws, regulations and orders of governmental bodies pertaining to the manufacture, packaging, labeling, sale, transportation, delivery and export of such goods and services, as well as with those relating to wages, hours, employee safety, and working conditions.

These warranties are in addition to all other warranties, expressed or implied, and shall remain in effect, as to each item furnished and /or service rendered, for a period of time consistent with the warranty life typically offered by the Vendor, but not less than 18 months from the date of acceptance of this PO. All warranties shall be construed as conditions as well as warranties and shall not be deemed to be exclusive. The benefits of these warranties shall accrue to MLI's customers and assigns to the same extent they shall accrue to MLI. Under circumstance of Breach of Warranty, MLI shall be entitled to avail itself cumulatively of all remedies provided in law or in equity. Vendor shall make timely responses MLI's notifications of Breach of Warranty and shall respond with the understanding (and Vendor agrees) that TIME WILL BE OF THE ESSENCE in all instances. These warranties shall run to MLI's customers and users of its products.

11. **Indemnity** — Vendor agrees to indemnify and hold harmless MLI's and its affiliates, and their respective shareholders, employees, agents, successors, officers and assigns, from and against any and all suits, claims, demands, liabilities, losses, damages and/or expenses, including costs and fees of legal counsel and all other costs of defending any action and on any appeal, that the indemnified party may incur as a result of any act or failure to act by Vendor, its officers, agents or employees, successors or assignees, its customers or all other third parties, whether direct or indirect, arising from or in connection with Vendor's provision of the goods and/or services under the PO, including without limitation any claim brought against an indemnified party by a third party alleging personal injury or property damage in connection with the goods and/or services of this PO. As well, Vendor agrees to such indemnification for goods or services under this PO, or identical goods or services previously sold or provided to MLI, which are connected with the infringement or misappropriation of patents, trademarks, copyrights, trade secrets, or other intellectual property or proprietary rights. Vendor will defend against claims utilizing counsel approved by MLI, and will not settle any claims without MLI's written approval for such settlement.
12. **Insurance** – Vendor shall carry and maintain insurance coverage satisfactory to MLI to cover indemnity obligations with respect to personal injury and property damage as stated above, and, if applicable, ocean shipping. Upon MLI's request, Vendor shall furnish MLI with evidence of such insurance in a form satisfactory to MLI.
13. **Limitation of Liability** - IN NO EVENT SHALL MLI BE LIABLE FOR ANTICIPATED OR LOST PROFITS OR FOR SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES. MLI'S TOTAL LIABILITY ON ANY CLAIM OF ANY KIND FOR ANY LOSS OR DAMAGE ARISING OUT OF OR IN CONNECTION WITH OR RESULTING FROM THIS PO OR FROM THE PERFORMANCE OR BREACH THEREOF SHALL IN NO CASE EXCEED THE PRICE ALLOCABLE TO THE GOODS OR SERVICES OR UNIT THEREOF WHICH GIVES RISE TO THE CLAIM. MLI EXPLICITLY REJECTS, AND SHALL NOT BE LIABLE FOR, ANY CANCELLATION CHARGES, LATE FEES, PENALTIES, OR LIQUIDATED DAMAGES.
14. **Compliance** - Vendor shall comply with all federal, state, local and governmental agency laws, ordinances, rules and regulations in the manufacture, sale, and distribution of the goods and/or in the

performance of services covered in this PO including all U.S. import/export control laws and regulations, any other applicable foreign import/export laws, and all relevant U.S. and foreign laws and regulations related to hazardous material treatment, storage, and transport. Without limiting the foregoing, Vendor shall not transfer any export controlled item, data or services to include transfer to foreign persons employed by or, associated with or, under contract to Vendor or Vendor's suppliers without the authority of export authorization. Vendor shall notify MLI if any goods or services to be delivered under the PO are restricted by export control laws or regulations. Vendor shall immediately notify MLI's purchasing representative if Vendor is listed in the Denied Parties List or if Vendor's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency. As well, Vendor, in the performance of this PO, shall comply with the provisions of the Fair Labor Standards Act, as amended, as well as the Regulations and Orders of the Department of Labor issued there under, Executive Order No. 11246 as amended, 29 C.F.R. 470, 41 C.F.R. 60-1, 60-250, 60-741, the provisions of the Occupational Safety and Health Act of 1970.

Vendor affirms that in providing the goods and/or services associated with this PO, Vendor has complied with the Electronic Industry Citizenship Coalition's Code of Conduct (see [http://www.eicc.info/eicc\\_code.shtml](http://www.eicc.info/eicc_code.shtml)), and in particular the five sections regarding labor; health and safety; the environment, elements of an acceptable system to manage conformity with the Code; and standards relating to business ethics. Vendor shall alert MLI if any goods and/or services provided under this PO utilize "conflict metals," which would require disclosure by a publicly-traded company under the Dodd-Frank Wall Street Reform and Consumer Protection Act. When requested, Vendor agrees to provide information on environmental, health and safety compliance and supporting programs. This may involve periodic onsite audits arranged in advance at a mutually agreed time.

15. **Assignment** - Vendor shall not assign this PO or any rights or delegate any obligation under this PO without the prior written consent of MLI, and no purported assignment by Vendor shall be binding on MLI without such written consent.
16. **Governing Law**— This Agreement shall be governed by the laws of the State of Washington, U.S.A. Venue for any action shall be in Grant County, Washington. Each party irrevocably submits to the jurisdiction of the courts sitting in that County.
17. **No Waiver**— The failure of either party to assert or enforce at any time, or for any period of time, any provision of this Agreement shall not constitute a waiver of such provision or the right of either party to enforce each and every provision at any future time.
18. **Confidentiality and Non-Use**— The terms of any nondisclosure or confidentiality and non-use agreement entered into between MLI and Vendor shall apply to the goods/services, and the goods/services shall be treated as MLI's confidential, proprietary information under any such agreement. All specifications, data and other information furnished by MLI, or its agents, to Vendor in connection with this PO remain the exclusive intellectual property of MLI and shall be treated by the Vendor as proprietary and shall not be disclosed or used, outside the limitation of this order, without prior written approval of a manager-level or higher representative of MLI. Vendor shall not make or authorize any news release, advertisement, or other disclosure which shall deny or confirm the existence of this PO without the prior written consent of MLI, except as may be required to perform this PO. MLI's purchases, pricing, requirements, specifications, the Goods and/or Services provided hereunder and all other information related to MLI or its business shall be treated as confidential information and shall not be used or disclosed by Vendor for any purpose other than fulfilling this PO and any actions reasonably related or necessary thereto.

19. **Severability** - If any provision of this PO is found to be illegal or otherwise unenforceable by any court or other judicial or administrative body, the other provisions of this PO shall not be affected thereby, and shall remain in full force and effect. The headings of this PO have no legal effect.



**NOTE: \*\*MLI Document Control -- Please do not add headers for Section 1.0 Scope and Section 2.0 Procedure to the above section of this document. This document will be sent to suppliers with each MLI purchase order and does not need to follow the document template.**

**Section 3.0 Responsibility, 4.0 References, and 5.0 History SHOULD NOT BE SENT TO SUPPLIERS or posted to the MLI Website. \*\***

### 3.0 RESPONSIBILITY

The maintenance (review and updating) of this document is the responsibility of the MLI Purchasing Department with review and approval for issuance and use from the voting MLI Quality Management Team (QMT).

#### 3.1 The following department(s) may be affected if revisions are made:

- Purchasing Department
- Polymer Synthesis Group
- Maintenance Department
- EHSS Department
- Accounting Department

### 4.0 REFERENCES

Document Number	Title
ADML-7.4.3-00.001P	MLI Requisition and Purchasing Awareness Procedure
GPML-7.4.1-00.110P	MLI/MLDCI/MLXCI Inventory, Capital Asset, and Miscellaneous Purchase Order Entry Procedure

### 5.0 REVISION HISTORY

Rev	Description of Revision	Author/Reviewer		QMT Approval	
		Initial	Date	Initial	Date
R0	Original writing and formatting of the document.	CS / BFS / NG	04/05/12	MH	4/30/12
R1	Removed the document control footer: "If this document is not stamped in red "Controlled Document - Do Not Copy", it is not an authorized copy seven (7) days after print date. This controlled document was printed on: xx/xx/12." Updated Article-11 Indemnity, 2 <sup>nd</sup> Paragraph: "As well, Vendor agrees to such indemnification for goods or services under this PO, or identical goods or services previously sold or provided to MLI, which are connected with the infringement or misappropriation of patents, trademarks, copyrights, trade secrets, or other intellectual property or proprietary rights." Added to above Yellow Note that Section 3.0, 4.0, and 5.0 should not be sent to suppliers.	BFS	5/24/12	MT	5/25/12
R2	Updated section 3.1, affected department(s) and section 4.0 document titles. (jc). Revision number and implementation dates added to the second paragraph of the document per MLI Legal. Changed footer from Confidential Document to Copyright © 2013 by Moses Lake Industries, Inc. All rights reserved. (BFS) (typo – fixed document reference in section 4.0 – AE 03/28/14)	BFS	25-Sep-13	MT	26-Sep-13
R3	Changed, "Revision 2.0 of these standard terms and conditions for MLI POs is effective for all MLI POs issued on or after October 01, 2013. Revision 2.0 also supersedes all other previously issued standard terms and conditions for MLI POs for POs issued on or after October 01, 2013." to "These standard terms and conditions for MLI POs are effective for all MLI POs issued on or after the Rev. Date noted in the header of this document, and supersede all other previous versions of standard terms and conditions issued before the Rev. Date noted in the header of this document." (typo-3/13/15 updated referenced document title. jc)	BFS	16-Apr-14	SE	17-Apr-14
R4	3 year review - Fixed formatting issues with header and history page.	AE	28-Dec-16	BH	28-Dec-16