



STANDARD TERMS AND CONDITIONS

1. **CAPTIONS.** As used herein, captions are for convenience of reference only, and shall not be construed to limit or extend the language of any other provision to which such captions may refer, unless expressly stated.
2. **DEFINITIONS.** As used herein, the terms "Buyer," "Customer," "TPC Group," or "TPC" shall mean TPC Group; the terms "Vendor," "Seller," "Contractor," or "Supplier" shall mean the party identified on the face of an Order that is responsible for furnishing supplies or services. "Order, Contract or Purchase Order" means the Order document by which TPC and the vendor agree to buy and sell a product or service; and "Supplies" means all articles, materials, work, or services to be furnished by Seller under an Order.
3. **SPECIFICATIONS/DRAWINGS/STATEMENTS OF WORK.** The Seller shall comply with all specifications, drawings, and statements of work or item descriptions stated with the Order or referenced therein.
4. **ACCEPTANCE.** An Order becomes the exclusive agreement between the parties for the Supplies, subject to the terms and conditions herein. Any of the following shall constitute Seller's unqualified acceptance of an Order: (a) acknowledgement of an Order, (b) furnishing of any supplies under an Order, (c) commencement of performance or Services, or (d) acceptance of any payment. Additional or different terms or conditions proposed by Seller shall be void and of no effect unless accepted in writing by the Buyer's procurement representative. No change in, modification of, or revision to an Order shall be valid unless in writing. By acceptance of an Order, Seller agrees to obtain and use the proper issue of all documents referred to herein and required for performance.
5. **ASSIGNMENT.** Neither an Order nor any duty or right under it shall be delegated or assigned by Seller without the prior written consent of Buyer, except that claims for monies due or to become due under an Order may be assigned to a bank, trust company, or other financial institution, including any Federal lending agency, by Seller without such consent. Buyer shall be furnished with two signed copies of any such assignment. Payment to an assignee of any such claim shall be subject to setoff or recoupment for any present or future claim or claims, which Buyer may have against Seller. Buyer reserves the right to make direct settlements or adjustments in price, or both, with Seller under the terms of an Order notwithstanding any assignment of claims for monies due or to become due hereunder and without notice to the assignee. In no event shall copies of an Order, or of any plans, specifications, or other similar documents relating to work under an Order, if marked "CONFIDENTIAL," or "PROPRIETARY," be furnished to any assignee or to any other person not entitled to receive the same.
6. **PATENT INDEMNITY, TRADEMARKS, AND COPYRIGHTS.** To the extent that the Supplies are produced to detailed designs not originated and furnished by Buyer or by a process or method, the use of which is not specifically directed by Buyer, Buyer shall have no responsibility to Seller for patent infringement and Seller guarantees that the sale or use of such supplies or the use of such process or method hereunder will not infringe any United States or foreign patents, trademarks, or copyrights. Seller shall defend, indemnify, and hold Buyer and its customers harmless from any loss, cost, damage, expense (including attorney's fees), or liability which may be incurred on account of infringement or alleged infringement of patent rights, trademarks, or copyrights with respect to such supplies, and defend, at its own expense, any action or claim in which such infringement is alleged by third parties, provided Seller is notified of such actions or claims against Buyer.
7. **USE OF BUYER'S DATA AND CONFIDENTIALITY.** Seller shall not reproduce, use, or disclose any data, designs, or other information belonging to or supplied by or on behalf of Buyer, except as necessary in the performance of Orders for Buyer. Upon Buyer's request, such data, designs, or other information, and any copies thereof, shall be returned to Buyer. Buyer shall be considered the person for whom the work was prepared for the purpose of authorship in any copyrightable work created by Seller under an Order. Where Buyer's data, designs, or other information is furnished to Seller's sub-suppliers for procurement of Supplies by Seller for use in the performance of Buyer's Orders, Seller shall require and insert the substance of this provision in all its Orders to sub-suppliers.
8. **INDEMNIFICATION.** Seller shall take all precautions necessary, special or otherwise, and shall be responsible for compliance with all Federal, State, and local safety laws in the performance of work hereunder. Without in any way limiting the foregoing undertakings, Seller and its subcontractors at any tier shall maintain public liability and property damage insurance in reasonable limits covering the obligations set forth and shall maintain proper Worker's Compensation

Insurance covering all employees performing an Order. Any of the following shall constitute Seller's unqualified acceptance of Buyer's indemnification requirements: (a) acknowledgement of an Order, (b) furnishing of any supplies under an Order, (c) commencement of performance or Services, or (d) acceptance of any payment. Buyer's "Standard Indemnification and Insurance Coverage Agreement" is in addition and cumulative to this clause. Buyer and Seller hereby agree that all liability, losses, cost or expenses (including reasonable attorney's fees) resulting from personal injury (including death arising therefrom) and property damage shall be borne as follows:

- a. TPC shall be solely responsible for, and shall bear all liability, losses, cost or expenses (including reasonable attorney's fees) resulting from personal injury (including death arising therefrom) and loss and damage to property caused by the sole negligence of TPC, its agents or employees. TPC hereby agrees to defend, indemnify and hold Seller harmless from all such liability, losses, cost or expenses, where such injury, death or damages are caused by the sole negligence of TPC.
- b. Seller shall be solely responsible for, and shall bear all liability, losses, cost or expenses (including reasonable attorney's fees) resulting from personal injury (including death arising therefrom) and loss and damage to property caused by the sole negligence of Seller, its agents, contractors or employees, or by violation of Seller, its agents, contractors or employees of any term or provision of this Agreement, Seller hereby agrees to defend, indemnify and hold TPC harmless from all such liability, losses, cost or expenses, where such injury, death or damages are caused by the sole negligence of Seller or by violation of this Agreement.
- c. In the event of the joint or concurrent negligence of the parties, all liability, losses, costs or expenses (including reasonable attorney's fees) resulting from personal injury (including death arising therefrom) and loss and damage to property caused by the joint or concurrent negligence of TPC and Seller shall be borne by them to the extent each is determined to be negligent either by agreement between them or by final judgment of a court of competent jurisdiction. In the event that negligence is not apportioned by agreement between the parties or by a court of competent jurisdiction, either party shall maintain the right to petition a court of competent jurisdiction to make an apportionment of fault.

9. **LIMITATION OF LIABILITY.** TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY'S LIABILITY ON ALL CLAIMS OF ANY KIND, WHETHER BASED ON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, FOR ALL LOSSES OR DAMAGES ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM THIS ORDER, OR FROM THE PERFORMANCE OR BREACH THEREOF, OR FROM ANY EQUIPMENT OR SERVICES COVERED BY OR FURNISHED UNDER THIS ORDER OR ANY EXTENSION OR EXPANSION THEREOF (INCLUDING REMEDIAL WARRANTY EFFORTS), SHALL BE LIMITED TO THE GREATER OF (X) THE COST OF ANY SERVICES UNDER ANY PURCHASE ORDER OR WORK AUTHORIZATION OR (Y) ONE MILLION DOLLARS (\$\$1,000,000.00).
10. **SELLER'S FINANCIAL STATUS.** TPC shall have the right to terminate an Order, or any part thereof, for default without further cost or liability to TPC in the event of the happening of the following: filing of a voluntary petition in bankruptcy by Seller; filing of an involuntary petition to have Seller declared bankrupt, the appointment of a receiver or trustee for Seller, the execution by Seller of an assignment for the benefit of creditors.
11. **CUMULATIVE REMEDIES.** The rights and remedies herein reserved to TPC shall be cumulative and additional to any other or further rights and remedies provided in law or equity.
12. **CHANGES.** (a) Buyer may at any time, by written notice, and without notice to sureties, if any, or assignees, make changes within the general scope of an Order in any one or more of the following: (i) drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for TPC in accordance with the drawings, designs, or specifications; (ii) quantity; (iii) method of shipping or packing; or (iv) place of delivery. (b) If any such change causes an increase or decrease in the cost of, or the time required for performance of any part of the work under an Order, whether or not changed by the Order, Buyer will make an equitable adjustment in the Order price, the delivery schedule, or both, and will modify the Order. (c) Seller must assert its right to an adjustment under this clause within thirty (30) days of receipt of the written Order. However, if Buyer decides the facts justify it, Buyer may receive and act upon a proposal submitted prior to final payment on the Order. (d) If Seller's proposal includes the cost of property made obsolete or excess by the change, Buyer shall have the right to prescribe the manner of disposition of the property. (e) Failure to agree to any adjustment shall be a dispute under the DISPUTES clause (Refer to Item 13). However, nothing in this clause shall excuse Seller from proceeding with the Order as changed.
13. **DISPUTES.** Any dispute under this Order which is not settled by agreement between the parties may be settled by appropriate legal or equitable proceedings. It is understood and agreed that if any such dispute is litigated, it shall be for the purpose of obtaining a judicial determination of the question of law and/or fact which is fair and reasonable; provided, further, that pending such judicial determination, Seller shall proceed in accordance with Buyer's written directions. However, nothing in this clause shall excuse Seller from proceeding with the Order as required.

14. **RESPONSIBILITY FOR PROPERTY.** Unless otherwise specified, Seller shall be liable for any loss or damage to Buyer-furnished property to the Seller. Seller shall be responsible for returning any such property in as good condition as when received except for reasonable wear and tear or for the utilization of it in accordance with the provisions of an Order. Seller shall include nothing in its prices for direct damage insurance on property of Buyer, as Buyer for its sole benefit insures such property. Title to all furnished property shall remain with TPC, as appropriate.
15. **INSURANCE REQUIREMENTS.** The Seller shall, at its own expense, procure and thereafter maintain the following types of insurance per project covering the period of performance of an Order:
- Worker's Compensation Insurance including Employer's Liability with minimum limits of \$\$1,000,000 per occurrence.
 - Comprehensive General Liability Insurance, including contractual liability and sudden and accidental pollution liability, with limits of at least \$\$1,000,000 combined single limit for personal injury, advertising injury, bodily injury, and property damage for each occurrence and aggregate.
 - Comprehensive Automobile Liability Insurance with limits of at least \$\$1,000,000 combined single limit for bodily injury and property damage for each occurrence.

All Commercial General Liability insurance shall designate TPC as an additional insured. All such insurance must be primary, not contributory, and required to respond and pay prior to any other available and collectible coverage.

Seller shall furnish under an Order a certificate or adequate proof of the foregoing insurance as directed by TPC. "Insurance Certificates will indicate that the insurance carriers shall endeavor to provide TPC thirty (30) days prior written notice of material change or cancellation (except 10 days for non-payment)." Any deviation from the above-stated insurance requirements requires a written waiver from TPC. Buyer's "Standard Indemnification and Insurance Coverage Agreement" is in addition and cumulative to this clause.

16. **FORCE MAJEURE.** Seller shall not be charged with any liability for failure or delay in making deliveries when such failure or delay is due to any cause beyond the control and without the fault or negligence of Seller, provided that Seller shall give TPC prompt notice in writing when it appears that such cause will delay deliveries under an Order. Examples of these causes are: (i) acts of God or the public enemy, (ii) sovereign acts of Government, (iii) fires, (iv) floods, (v) epidemics, and/or (vi) strikes. If any such failure or delay shall threaten to impair TPC's ability to perform, TPC shall have the right, at its option and without being under any liability to Seller, to cancel by notice in writing the portion or portions of an Order so affected at no cost to TPC. Correspondingly, TPC shall be excused for failure or delay in performance herein due to any cause beyond its control and without its fault or negligence.
17. **DELIVERY, ADVANCE MANUFACTURING, AND PROCUREMENT.** Delivery according to schedule is of the essence. Seller must notify TPC immediately when it becomes aware of a potential schedule impact or late delivery, including the causes thereof, action being taken to remove such cause or causes, when on-schedule status will be achieved, and at Seller's expense, shall take reasonable action necessary, with or without request of Buyer, to meet such schedules as set forth herein or to recover to the maximum extent possible any delay in meeting such schedules. Such reasonable action by the Seller shall include shipment via expedited routing and carrier. Notification under a clause shall in no way limit Buyer's rights under any Termination, Default, or Stop Work Order provisions of the Order. Seller shall not manufacture or procure materials in advance of Seller's reasonable flow time or manufacture or procure materials in advance of receiving an Order from Buyer. In the event of termination or change, no claim will be allowed for any such manufacture or procurement in advance of such reasonable flow time or placement of Order unless Buyer's prior written consent has been obtained. Buyer may return or store at Seller's expense items delivered in advance of delivery dates as specified for such items.
18. **PACKING AND SHIPMENT/F.O.B. POINT.** (a) Unless otherwise specified, all packing and packaging shall comply with good commercial practice and applicable carrier's tariffs. Supplies shall be prepared for shipment and packaged to prevent damage or deterioration, and to give optimum protection of the supplies during shipment and in-plant handling and storage. The Seller shall receive no additional allowance for packing and packaging, or transportation to the F.O.B. point unless stated in writing on the Order; (b) If the terms of an Order require delivery F.O.B. place of shipment, the Seller must at that place (i) ship the supplies, (ii) bear the expense and risk of putting them into the possession of the carrier and (iii) at its risk and expense load the supplies on board; (c) If the terms of the Order are based on F.O.B. place of destination, the Seller must at his own expense and risk transport the supplies to that place and tender delivery of them to Buyer. (d) The packaging, labeling, and shipping of all HAZARDOUS SUBSTANCES, including DANGEROUS MATERIALS, must conform to all applicable international, federal, and state laws/regulations.
19. **QUALITY CONTROL AND INSPECTION.** (a) *Quality System:* Seller shall provide and maintain a quality control system acceptable to Buyer. During the performance of an Order, Seller's quality control, inspection systems, and manufacturing processes are subject to review, verification, and analysis by Buyer. (b) *Inspection Verification:* All Supplies Ordered may be subject to (i) inspection, verification, or testing during the period of manufacture, (ii) inspection or verification prior to

shipment, and (iii) final inspection and acceptance at destination, notwithstanding any prior payment or inspection and acceptance. If any inspection or test is made on the premises of Seller or its lower-tier suppliers, Seller shall, without additional cost, provide and shall require its lower-tier suppliers to provide all reasonable facilities and assistance for the safety and convenience of Buyer inspectors in the performance of their duties. (c) *Rejected Supplies*: Buyer may reject and hold at Seller's expense, subject to Seller's reasonable disposal instructions, Supplies which do not conform to applicable specifications, drawings, samples, or descriptions or which are defective in material, workmanship, or design unless such design is Buyer's detailed design. If within fifteen (15) days after Buyer has notified Seller of the rejected Supplies, Seller has not provided Buyer with reasonable disposition instructions, including agreement to pay expenses incurred by Buyer, Buyer may at its option continue to hold the rejected Supplies at Seller's expense, or return them to Seller's facility at Seller's expense. Without limiting any other rights Buyer may have, Buyer at its option may require Seller (i) to repair or replace at Seller's expense any Supplies or items thereof which fail to meet the requirements of applicable design, specifications, drawings, samples, descriptions, or other requirements of an Order, or (ii) to refund the price of any such item. Previously rejected Supplies reworked to specifications, or replaced, shall not be retendered to Buyer, by Seller, unless notification of such past rejection is submitted with the retender and Buyer has consented to such retender.

20. **WARRANTY QUALIFICATION.** Notwithstanding inspection by TPC, or acceptance by TPC, Seller warrants that all supplies furnished hereunder will be free from defects in material and workmanship, conform to applicable specifications, drawings, samples, descriptions, or other requirements of an Order and, unless of Buyer's detailed design, be free from design defects. If there is a breach of warranty, Buyer may return such supplies at Seller's expense for correction, replacement, or credit as Buyer may direct. Supplies required to be corrected or replaced shall be subject to the provisions of this clause and the clause herein entitled "Quality Control and Inspection." All warranties shall apply to Buyer and its customer.
21. **INVOICING AND PAYMENTS.**
- a. A separate invoice shall be issued for each shipment or, if applicable, following completion of the specified Order progress invoicing milestones or hours worked at the rates agreed upon by the parties in the Order. Unless otherwise specified in an Order, no invoice shall be issued prior to shipment of Supplies or applicable invoice milestone completion. Each invoice must include the Order number, line item, part number, price and if applicable, include verification and supporting documentation for the completed milestone. Invoices must be submitted to the Accounts Payable office specified on the Order at APInvoice@tpcgrp.com or submitted through TPC's iSupplier portal. If items are shipped prepaid, a separate line item must be included on the invoice together with a paid copy of the freight bill.
 - b. Payment due dates and any cash discount periods, will be computed from date of receipt of Supplies, or date of receipt of correct invoice (whichever is later). Payment shall be made under each invoice within ninety (90) days from receipt of a correct properly prepared invoice that complies with all the requirements identified herein. Buyer is not obligated to pay any invoice, nor is Buyer obligated under any legal or equitable theory to pay for Supplies reflected in an invoice, that is not received by Buyer within one-hundred, twenty (120) days after receipt of Supplies or performance of Services.
22. **TERMINATION.** Buyer shall have the right to cancel this Order or any part thereof at any time for Buyer's convenience or for Seller's default. When an Order is terminated for convenience, Seller shall be entitled to costs incurred up to the date of the termination of work. Any termination claim must be submitted to Buyer within thirty (30) days of the termination of work. Seller may be liable for re-procurement costs if an Order is terminated for default.
23. **CHOICE OF LAW.** Both parties agree that, irrespective of the place of performance of an Order, the Order will be construed and interpreted according to the applicable laws, statutes, regulations, and other judicial and quasi-judicial agencies of the State of Texas.
24. **PUBLICITY.** Seller shall not, without prior written consent of Buyer (Buyer's Public Relations organization), disclose any information relative to an Order.
25. **WAIVER.** The failure of Buyer in any one or more instances to insist on performance of any of the provisions of an Order shall in no way be construed to be a waiver of such provisions in the future.
26. **QUALIFICATION.** If qualification is required by drawing or specification for any supplies called for in an Order, such supplies or components thereof may not be shipped until accepted through qualification tests or unless authorization has been granted in writing from Buyer to ship prior to final qualification. Nothing in the above is intended to prevent the continued production of supplies or of components thereof as required to meet schedules called for by an Order.
27. **ACCESS TO PLANTS AND PROPERTIES.** Seller shall comply with all rules and regulations established by Buyer for access to and activities in and around premises controlled by Buyer.
28. **EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION OBLIGATIONS.** The furnishing of Supplies under this Agreement may be necessary to the performance of any one or more contracts ("Federal Contracts") between Buyer and the

United States of America ("Government") or under which any portion of Buyer's obligations under any one or more such Federal Contract is performed, undertaken or assumed. As part of Buyer's compliance with federal Equal Employment Opportunity and Affirmative Action regulations, Supplier, as a supplier providing Supplies to Buyer, may be subject to the following laws and accompanying regulations: (1) Executive Order 11246 (and its implementing regulations at 41 C.F.R. part 60); (2) The Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended (and its implementing regulations at 41 C.F.R. 60-300); and (3) Section 503 of the Rehabilitation Act of 1973, as amended (and its implementing regulations at 41 C.F.R 60-741) . Supplier shall, as a condition to entering into any subcontract related to the Supplies, cause each Subcontractor to agree to undertake Supplier's obligations in this Section for the benefit of Buyer.

AUTHORIZED AGENT OF:

TPC GROUP LLC

\$internal_signer_full_name

PRINT NAME

\$internal_signer_title

TITLE

SIGNATURE

DATE

AUTHORIZED AGENT OF:

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DATE