

TERMS AND CONDITIONS OF SALE

Please read these terms and conditions carefully. They materially affect the parties' obligations. Hydrite Chemical Co. ("Seller") will accept orders from and do business with the buyer ("Buyer") only on the terms and conditions on this form.

1. Acceptance; Contrary Terms; Entire Agreement. This document contains all of the terms and conditions of the agreement (the "Agreement") between Seller and the buyer ("Buyer") of the goods and services to be sold or provided to Buyer (collectively, "Goods"), to the exclusion of any terms and conditions incorporated in Buyer's order or other documents of Buyer, and to the exclusion of any other statements and agreements except as set forth in a separate written agreement signed by Buyer and Seller that expressly incorporates by reference these Terms and Conditions. Seller's acceptance of Buyer's order is expressly conditioned on Buyer's acceptance of these Terms and Conditions, and Buyer, upon placing an order, is presumed to have accepted these Terms and Conditions without modification. No alteration, waiver, modification of or addition to the terms and conditions herein shall be binding on Seller unless set forth in writing and specifically agreed to by an officer of Seller. No course of dealing, usage of trade or course of performance shall be relevant to supplement or explain any terms used in the Agreement.

2. Taxes and Fees. All sales, excise and similar taxes that Seller may be required to pay or collect with respect to the Goods are for the account of the Buyer, except as otherwise provided by law. Except as otherwise provided expressly stated in the Agreement, Seller will not be responsible for freight, transportation, insurance, shipping, storage, handling, demurrage or similar charges. If the Agreement expressly states that such charges are included in the price, any increase in such charges effective after the date hereof will be for the account of Buyer.

3. Notification of Claims; Acceptance. Buyer must notify Seller and the carrier, within seven (7) days of the receipt of the Goods, of any reasonably apparent damage to, or any loss of, the Goods in transit. Failure by Buyer to give such notification shall result in a waiver of all claims which Buyer may otherwise have against Seller for such damage or loss resulting from, or occurring during, transit. As to any such damage or loss, Buyer shall (a) mark the delivery receipt with appropriate exceptions describing the damage or loss before signing, (b) request the carrier to inspect the damage or loss and forward a signed exception report to Seller describing the damage or loss, and (c) promptly and separately notify Seller of such damage or loss. If damage or loss is not reasonably apparent at time of delivery, then upon discovering such damage or loss Buyer shall (i) immediately notify Seller of such damage or loss, and (ii) cooperate fully with Seller in any claims that are available against third parties. If delivery is made in installments, claims which Buyer may have as to any one installment do not relieve Buyer of the obligation to accept delivery of the remaining installments, or permit Buyer to cancel or rescind the remaining installments. Any rightful rejection of the Goods by Buyer shall be made within a commercially reasonable time by written notice to Seller, but in any event within fifteen (15) days following the date of receipt of the Goods.

4. Risk of Loss; Shipment. Unless otherwise expressly stated in writing, all shipments are F.O.B. Seller's plant. Shipping dates on any order are estimates only. Seller will use reasonable commercial efforts to meet the estimated shipping dates, subject to Buyer's prompt provision of all necessary, complete and correct specifications, but Seller will not be held responsible for failure to meet such estimated dates. Unless otherwise stated herein, Seller may make delivery in installments. All installments will be separately invoiced and paid as billed without regard to subsequent deliveries. Failure to pay any installment when due will excuse Seller from making future deliveries. Seller will not be liable for normal variations in dimensions, weights and quality. Weights, sizes and quantities as determined at Seller's plant or other source of supply will be conclusive in the absence of manifest error.

5. Containers. Carboys, drums, barrels, totes or other returnable containers provided by Seller to Buyer shall remain the property of Seller and are provided to Buyer solely for the purpose of transporting and storing Goods purchased from Seller. As security for the return of such containers, Buyer shall deposit with Seller an amount equal to Seller's current price therefor at the time of shipment, such deposit to be paid when the invoice for the Goods contained therein is paid. Seller reserves the right to increase any deposit for new containers consistent with amounts being charged to its other customers. Buyer will use Seller's containers only for reasonable transportation and storage of the Goods and will return the same (F.O.B. Seller's plant) in good condition (normal wear and tear excepted) upon termination of the business relationship with Seller or otherwise upon request by Seller. Upon return of each such container, Seller will credit Buyer with the amount of the related deposit. If any container provided by Seller is not returned to Seller in good condition (normal wear and tear excepted), Seller may either retain the deposit on such container as liquidated damages for any loss or damage or charge Buyer for the current replacement cost of such containers with Buyer's deposit applied towards such charge.

6. Hazardous Materials. Buyer understands and acknowledges that the Goods may be of a toxic or otherwise hazardous nature. Buyer assumes all risk and liability for the Goods upon passage of risk of loss to Buyer as provided herein. Seller will not be liable for any loss or damage to persons or property resulting from the Goods or their handling except as otherwise provided expressly stated in the Agreement. Buyer must determine and provide for any hazards involved in connection with retention and disposal of the Goods, waste materials relating to the Goods, and any disposable containers in which the Goods are shipped.

7. Prices; Payment Terms. Unless specifically held open for a length of time on Seller's quotation, all prices are subject to change without notice and any unshipped balances on purchase orders will be invoiced to and paid by Buyer at prices in effect at the time of delivery. Invoices are payable in full 30 days following the invoice date. If by the terms of sale, credit is extended to Buyer, Seller reserves the right to revoke such credit if Buyer fails to pay for any Goods when due, and Seller may demand payment before any further shipment.

8. Limited Warranty and Remedies. Seller warrants to Buyer that the Goods sold hereunder will conform to the applicable specifications. If the Goods fail to conform to the applicable specifications, Seller will, at its option, replace such Goods, rework such Goods so that they conform to the applicable specifications (if practicable) or give a credit therefor equal to the price paid by Buyer. Such replacement, rework or credit shall be Seller's sole obligation and Buyer's exclusive remedy hereunder for breach of this limited warranty, and shall be conditioned upon Seller receiving written notice of any alleged breach of this warranty within a reasonable time after discovery of such defect, but in no event later than thirty (30) days from date of shipment. At Seller's request, Buyer shall return to Seller any Goods for which a warranty claim has been made, F.O.B. Seller's plant with freight prepaid. THE FOREGOING WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES WHATSOEVER, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

9. No Consequential Damages. SELLER SHALL NOT BE LIABLE UNDER ANY CIRCUMSTANCES FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION ANY LOST PROFITS, LABOR COSTS OR DAMAGE TO EQUIPMENT, ARISING FROM THE SALE OR USE OF THE GOODS, FROM THE GOODS BEING INCORPORATED INTO OTHER ARTICLES, FROM ANY BREACH OF THE AGREEMENT OR FROM ANY OTHER CAUSE WHATSOEVER, WHETHER BASED ON WARRANTY (EXPRESSED OR IMPLIED) OR OTHERWISE BASED ON CONTRACT, TORT OR OTHER THEORY OF LIABILITY.

10. Material Safety Data Sheets. Unless otherwise expressly stated or required by applicable law, Buyer shall be responsible for preparing and providing to its purchasers of the Goods accurate material safety data sheets for such Goods.

11. Patent Indemnity; Limitation of Responsibility and Damages.

(a) If any Goods not made to Buyer's specifications are claimed to infringe any United States patent, copyright, trademark or other trade designation, trade secret, or other intellectual property right in effect in the United States at the time Buyer's order is accepted, Seller shall, at its option: (i) procure for Buyer the right to use the Goods; (ii) modify or replace the Goods so as to avoid infringement; or (iii) accept redelivery of the Goods and reimburse Buyer for the purchase price and any reasonable transportation expenses incurred by Buyer. If any litigation is instituted against Buyer based on a claim that any Goods in the condition received from Seller so infringes, Seller will undertake the defense on Buyer's behalf and pay any damages and costs awarded therein against Buyer, provided Seller is given prompt written notice and is furnished with copies of all demands, process and pleadings; and provided Buyer cooperates fully in giving Seller authority, information and assistance at Seller's expense for such defense, as well as control over the defense and any settlement and negotiations with regard to settlement.

(b) THE FOREGOING REPRESENTS SELLER'S ENTIRE AND EXCLUSIVE OBLIGATION WITH RESPECT TO ANY CHARGE OF INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHT AND IS IN LIEU OF ANY STATUTORY WARRANTY RELATING TO INFRINGEMENT. SELLER WILL HAVE NO RESPONSIBILITY FOR ANY GOODS MODIFIED BY BUYER OR MADE OR MODIFIED BY SELLER IN ACCORDANCE WITH BUYER'S ORDER, AND BUYER WILL INDEMNIFY, DEFEND AND HOLD SELLER HARMLESS AGAINST ALL DAMAGES, COSTS OR EXPENSES, INCLUDING ATTORNEYS' FEES, PAID OR INCURRED BY SELLER IN CONNECTION WITH ANY CLAIM OF INFRINGEMENT OF A PATENT, COPYRIGHT OR TRADEMARK, TRADE SECRET, OR OTHER PROPRIETARY RIGHT WHICH ARISES OUT OF SELLER'S COMPLIANCE WITH BUYER'S SPECIFICATIONS. SELLER SHALL HAVE NO RESPONSIBILITY WITH REGARD TO ANY SETTLEMENT, ADMISSION OR PROMISE MADE BY BUYER WITHOUT SELLER'S PRIOR WRITTEN CONSENT, NOR WILL SELLER BE LIABLE FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER, INCLUDING LOST PROFITS, CLAIMED TO HAVE BEEN SUSTAINED BY BUYER OR ANY USER OF GOODS ARISING OUT OF ANY CLAIM OF INFRINGEMENT.

12. Descriptions. Except for the specifications for the Goods provided by Seller as part of the technical information for the Goods, all descriptions, samples and other particulars of the Goods provided by Seller, whether contained in plans, photographs, catalogs, price lists or advertising material or otherwise, are only approximate, are included solely for Buyer's guidance, and do not form part of the Agreement.

13. Trademarks. Buyer warrants that Buyer owns or has the right to use any trademark that Seller affixes to the Goods at the request of Buyer.

14. Excuse from Performance; Allocation. Seller shall not be considered in default in the performance of its obligations hereunder or be liable in damages or otherwise for any failure or delay in performance which is due to strike, lockout or concerted act of workers or other industrial disturbance; fire, explosion, flood or other natural catastrophe; civil disturbance, riot or armed conflict whether declared or undeclared; curtailment, shortage, rationing or allocation of normal sources of supply of labor, materials, transportation, energy or utilities; mechanical breakdown or equipment failure; accident; Act of God; delay of suppliers or subcontractors; effects of or voluntary compliance with acts of government and government regulations (whether or not valid); embargo; imposition of anti-dumping or countervailing duties increasing the price of the materials for the Goods; or any other cause whether similar or dissimilar to any of the foregoing causes and which is beyond Seller's reasonable control. Promptly upon learning of such event and ascertaining that it has or will affect its performance hereunder, Seller shall give notice to Buyer stating the nature of the event, its anticipated duration and any action being taken to avoid or minimize its effect. If the event lasts or in Seller's judgment is expected to last more than thirty (30) days, Seller may terminate the Agreement. In addition to the foregoing, if Seller determines that its ability to supply the Goods, or obtain a sufficient quantity of any material used in the manufacture of the Goods, is hindered, limited or made impracticable, Seller may allocate its available supply of the Goods (without being obligated to acquire additional supplies of the Goods or materials) among itself and its purchasers in Seller's sole discretion.

15. General.

(a) No modification or waiver of the Agreement or any of its provisions shall be valid unless expressly agreed to by Seller in writing. No waiver by Seller of any default under the Agreement shall be a waiver of any other or subsequent default.

(b) The unenforceability or invalidity of one or more of the provisions of the Agreement will not affect the enforceability or validity of any other provision of the Agreement.

(c) Buyer may not assign any of its rights, duties or obligations under the Agreement without Seller's prior written consent and any attempted assignment without such consent, even if by operation of law, shall be void.

(d) The Agreement is governed by and shall be construed in accordance with the laws of the State of Wisconsin, including the Uniform Commercial Code as enacted by such state, without giving effect to its conflict of laws principles.

16. Provisions for International Transactions. The following provisions shall apply if the Goods are to be shipped to Buyer at a location outside the United States or if Buyer's principal place of business is located outside of the United States:

(a) The 1980 United Nations Convention on Contracts for the International Sale of Goods shall not apply.

(b) Except as otherwise provided expressly stated in the Agreement, terms of delivery are Ex-Works (within the meaning of INCOTERMS 2000) and all customs fees, import duties, cargo insurance, taxes and other charges imposed on or relating to the purchase or sale of the Goods shall be paid by Buyer in addition to the stated price.

(c) Except as otherwise provided expressly stated in the Agreement, payment shall be made by issuance to Seller of an irrevocable letter of credit which (i) is issued and confirmed by a U.S. bank acceptable to Seller, (ii) is governed by the Uniform Customs and Practice for Documentary Credits (1993 Revision, ICC Publication No. 500) and otherwise acceptable in form and substance to Seller, and (iii) provides for payment to Seller of the full amount of the purchase price plus prepaid freight in U.S. dollars upon presentation by Seller of sight drafts, Seller's invoice and such other documents as shall be required by the letter of credit. All banking and other charges for such letter of credit shall be for the account of Buyer.

(d) Prices include Seller's standard commercial export packaging which may vary depending on whether shipment is made by air, land or sea. Buyer will bear any additional expenses required to satisfy Buyer's packaging requirements. Packages will be marked in accordance with Buyer's instructions, if any. Seller shall furnish packing lists and such other information as may be necessary to enable Buyer's agent to prepare documents required for export shipment. Buyer shall supply Seller with all necessary information and assistance for the most expeditious clearance of such shipment through customs.

(e) All shipments hereunder are subject to compliance with the U.S. Export Administration Act, as amended, regulations thereunder and all other U.S. laws and regulations concerning exports. Buyer shall comply with all such laws and regulations concerning the use, disposition, re-export and sale of the Goods provided hereunder.