

CABOT SPECIALTY CHEMICALS MÉXICO, S.A.P.I. DE C.V.
STANDARD TERMS AND CONDITIONS OF SALE
FOR NORTH AMERICA (INCLUDING MEXICO)

1. Application; Conflicting Terms.

These terms and conditions shall apply to all sales agreements, acknowledgements, or confirmations which incorporate or reference these terms (each, an "Agreement") and all other sales of goods ("Products") by Cabot Specialty Chemicals México, S.A.P.I. de C.V. or one of its affiliates or subsidiaries (each, a "Seller") to a party or parties purchasing Products (each, a Buyer"), unless otherwise agreed in writing signed by an authorized representative of Seller. **Any representations, warranties, conditions or indemnities or other terms or conditions proposed or stated by Buyer in connection with any sale of products by Seller or in any purchase order or other document sent by Buyer which are in conflict with these terms and conditions are expressly rejected by Seller and waived by Buyer.** Any waiver, modification or amendment of these terms and conditions shall only be effective as against Seller if such waiver, modification or amendment is contained in a written instrument duly executed by an authorized representative of Seller. These terms and conditions shall survive any termination (by mutual agreement or otherwise) or expiration of an Agreement. For purposes of these terms and conditions, the term "Affiliate" shall mean with respect to any person (i) a director, officer, partner or stockholder of such person, or (ii) any other person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or under common control with, such person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person.

2. Contract Formation.

A quotation by Seller does not constitute an offer and Seller reserves the right to withdraw or revise any quotation prior to time of Seller's acceptance of an order from Buyer. A contract for the sale of Products shall be formed at the time when Buyer's order is confirmed in writing or by means of electronic acknowledgement by Seller, or the date Seller releases the order for shipment, whichever occurs first.

3. Price.

Seller reserves the right to revise the price, point of delivery, shipment and payment terms hereunder upon written notice to Buyer. Unless other pricing arrangements are set forth in Seller's order acknowledgement, the price applicable to any order accepted under an Agreement shall be the price in effect on the scheduled shipment date stated in Seller's order acknowledgement. Unless Seller has agreed to pay for the costs of delivery, Buyer shall be responsible for payment of all freight charges, and any freight charges incurred by Seller shall be for the account of Buyer and shall be added by Seller as a separate item to Seller's invoices.

Any tax, tariff, duty or charge which Seller may be required to pay or collect, now or hereafter imposed by any governmental authority or agency, foreign or domestic, with respect to the sale, purchase, production, processing, storage, delivery, transportation, use, or consumption of any of the Products or services covered hereby, including all taxes upon or measured by receipts from sales or services, shall be for the account of Buyer, and any such charges may be added by Seller as a separate item to Seller's invoices.

4. Delivery; Title; and Risks.

If an Agreement provides for multiple shipments over a period longer than a month, Seller shall not be required to ship Products in any month more than the monthly quantities specified, and if monthly quantities are not specified in an Agreement, in no event more than the monthly pro rata amount of the whole quantity covered by an Agreement. In the event of failure of Buyer to take pro rata quantity in any month, such deliveries or parts thereof may be canceled or included in subsequent deliveries hereunder at Seller's option. Each delivery under an Agreement shall be deemed to be a separate transaction, and the cancellation or rejection of any delivery shall not affect the rights and obligations of the parties under the Agreement as a whole.

Except as set forth in an Agreement, all stated delivery terms (eg EXW, FCA, etc.) shall have the meanings set forth in INCOTERMS 2010, with title to Products passing to Buyer at the point risk passes under the applicable Incoterm. If no Incoterm is specified, the applicable Incoterm shall be Ex-Works, Cabot Mexico's facility. Seller's weight designation shall govern. Dates proposed by Seller for shipment are approximate and Seller shall not be liable for any delay in shipment or delivery of Products. Time for delivery shall not be of the essence.

5. Payment.

Unless otherwise agreed in writing by Seller, invoices are issued on the date an order is released for shipment, and invoices are payable in full within thirty (30) days of date of the invoice and payable in the currency specified in the invoice, free of foreign exchange fees, discounts, or other charges. Seller may alter or revoke credit terms at any time without notice. Buyer shall not have the right to suspend, retain or set off any amounts that are due. If Buyer fails to pay any invoice in full when due, or if Seller shall have any doubt at any time as to Buyer's financial responsibility or capability, Seller may, without prejudice to any other lawful remedies, defer and/or decline to make further shipment(s), or treat such default as a final refusal by Buyer to accept further shipments hereunder. Seller reserves the right to request payment or other form of security prior to delivery. In addition, Seller may charge a late fee specified on the invoice on any overdue amounts.

6. Force Majeure.

Seller shall not be liable for any failure to perform or delays in its performance due to forces of nature, acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, acts of terrorism, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods or washouts, acts, restraints or requirements of any government or government agency, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, unavailability of raw materials or supplies, strandings, perils of the sea, the binding order of any court or governmental authority, or any other causes or contingencies, whether similar or dissimilar, beyond Seller's reasonable control (a "Force Majeure Event"). Failure to prevent or settle any labor dispute(s) or strike(s) shall not be considered a matter within the control of the Seller. In the case of a Force Majeure Event, Seller may, in its sole discretion, upon written notice to the Buyer, cancel, delay, reduce or modify its deliveries to Buyer without liability for any damages whatsoever.

7. Warranty; Claims; Limitation of Liability; and Material Safety Data Sheet.

(a) **Limited Warranty.** (i) The Seller warrants that all Products to be supplied by Seller to Buyer shall, on the date an order is released for shipment, meet Seller's standard product specifications for such Product then in effect, or such other specifications that have been expressly made a part of an Agreement. Seller also warrants title to the Products free and clear of all liens, restrictions, reservations, security interests or other encumbrances. Claims in respect of any Products at any time sold or agreed to be sold by Seller, whether in contract, tort or otherwise (including negligence or misrepresentation), including claims on account of weight, quality, loss or damage to said Products, are waived by Buyer unless made in writing within 30 days after arrival thereof at destination. In case of a timely claim concerning quality, Buyer shall promptly furnish to Seller appropriate samples of nonconforming Product for testing and analysis. (ii) Seller makes no warranty, either express or implied, as to the accuracy or completeness of, or the results to be obtained from, any technical advice furnished or recommendations made by Seller or a representative of Seller concerning any use or application of the Products. Buyer assumes full responsibility for quality control, testing and determination of suitability of a Product for Buyer's intended application or use. (iii) The warranties set forth in this paragraph 7(a) extend only to the Buyer.

(b) **Disclaimer of Other Warranties, Representations and Conditions.** THE LIMITED WARRANTY ABOVE SETS FORTH THE SOLE WARRANTY OF SELLER WITH RESPECT TO ANY PRODUCTS AT ANY TIME SOLD TO BUYER OR ANY TECHNICAL ADVICE FURNISHED OR RECOMMENDATIONS MADE BY SELLER. ALL OTHER WARRANTIES AND REPRESENTATIONS AND CONDITIONS OF ANY KIND, WHETHER EXPRESS OR IMPLIED, AND WHETHER ARISING UNDER STATUTE OR UNDER CONVENTION (INCLUDING THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS), ARE HEREBY EXPRESSLY EXCLUDED AND DISCLAIMED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS. THIS SHALL APPLY WHETHER THE PRODUCTS ARE USED ALONE OR IN COMBINATION WITH OTHER SUBSTANCES OR MATERIALS, EVEN IF THE PURPOSES OR USES OF THE PRODUCTS BY BUYER ARE KNOWN BY SELLER OR IF SELLER HAS BEEN INVOLVED IN THE ANALYSIS OF THE PURPOSES OR USES OF THE PRODUCTS OR HAS PROVIDED ANY RECOMMENDATIONS, ASSISTANCE OR INSTRUCTIONS IN CONNECTION THEREWITH. BUYER ACCEPTS AND ASSUMES ALL RESPONSIBILITY, RISK AND LIABILITY FOR, AND AGREES TO DEFEND, INDEMNIFY AND HOLD SELLER HARMLESS FROM AND AGAINST, ANY CLAIMS OR LIABILITIES RELATING EITHER TO BUYER'S USE OF THE PRODUCTS OR TO ANY GOODS MANUFACTURED BY BUYER CONTAINING ANY OF SELLER'S PRODUCTS.

(c) **Limitation of Remedies.** Seller's liability, and Buyer's sole remedy, for any claim in respect of any Products at any time sold or agreed to be sold by Seller, is limited to, at Seller's option (i) replacing the particular quantity of nonconforming Product or (ii) refunding the purchase price of the particular quantity of nonconforming Product, less the value, if any, to Buyer of the nonconforming Product. No claim or recovery by Buyer of any kind (whether as to Product delivered or for non-delivery of Product) shall be greater than the purchase price of the Product to which the claim relates. TO THE MAXIMUM EXTENT PERMITTED UNDER LAW, IN NO EVENT SHALL SELLER BE RESPONSIBLE OR LIABLE TO BUYER OR ANY THIRD PARTY UNDER ANY THEORY OF LAW FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO ANY LOSS OF PROFITS OR OTHER ECONOMIC LOSS) EVEN IF ADVISED OF THE POSSIBILITY THEREOF.

(d) **Material Safety Data Sheets and Warnings.** Buyer acknowledges and represents that it has received, read and understands the Material Safety Data Sheet(s) ("MSDS(s)") for the Product(s) and will read and undertake to understand any subsequent MSDS(s) or written warnings provided by Seller from time to time and undertakes to exercise the degree of care required to protect persons and properties from all hazards of the Products disclosed in the MSDS(s) or warning, including but not limited to (i) warning the employees of Buyer and its Affiliates who may become exposed to the Product of the said hazards of the Product, providing such employees with copies of the latest MSDS(s) and providing necessary and appropriate safety equipment and taking appropriate measures to assure that such safety equipment is adequately maintained and properly used, and (ii) warning third parties who may purchase or come into contact with the Product or who handle or transport the Product on behalf of the Buyer of the aforesaid hazards. Seller's Products are not tested for safety or efficacy in any applications intended for contact with or ingestion in the human body, including, but not limited to, food or food contact, tobacco, pharmaceuticals, cosmetics, and medical applications, unless otherwise stated in Seller's MSDS(s) or in Seller's Product literature available on Seller's website www.cabotcorp.com.

8. Intellectual Property.

(a) If any Product itself, as and when sold at Seller's product specifications, becomes the subject of a patent infringement claim, Seller may, at its sole option and expense, either replace or modify such Product, provide for the return of such Product and refund the purchase price paid by Buyer, or procure for Buyer the right to continue to use such Product. The foregoing states Seller's entire obligation and liability with respect to any and all intellectual property claims. Seller reserves the right, without liability to the Buyer, to discontinue deliveries of any Product or terminate an Agreement with respect to any Product, if in the reasonable opinion of the Seller, such Product's manufacture, sale or use would infringe any third party intellectual property right now or hereafter issued.

(b) Buyer shall defend, indemnify and hold harmless Seller from and against all loss, costs, expenses, damages and liability of any kind arising out of any claims of infringement or alleged infringement of any patent or other intellectual property right with respect to (i) the use of Products in any application by Buyer or its affiliates, contract manufacturers or customers, including but not limited to the use of Products alone or in combination with other substances or components; (ii) any modification to the Products by Buyer or its affiliates, contract manufacturers or customers; or (iii) Products furnished, or methods used, by Seller in accordance with the specifications or instructions furnished by or expressly or implicitly prescribed by Buyer.

(c) Nothing herein shall be construed as granting a license to use Seller's trademarks without the express prior written permission of an authorized representative of Cabot Specialty Chemical Mexico, S.A.P.I. de C.V.

9. Miscellaneous.

Buyer may not assign its rights and obligations under an Agreement without the prior written consent of Seller. Seller may at any time assign its rights and obligations under an Agreement without the consent of the Buyer. An Agreement will be binding upon and inure to the benefit of the parties' successors and permitted assigns. If any provision of an Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby. The paragraph headings are for convenience only, they form no part of the terms and conditions and shall not affect their interpretation. Seller's failure to strictly enforce any term or condition of an Agreement or to exercise any right arising thereunder shall not constitute a waiver of Seller's right to strictly enforce such terms or conditions or exercise such rights thereafter.

10. Governing Law; Forum Selection; and Consent to Jurisdiction.

Any claim or dispute arising hereunder shall be governed by the laws of Mexico, irrespective of the choice of law rules thereof. The application of the United Nations Convention on Contracts for the International Sale of Goods is expressly excluded. Any legal proceedings arising out of or relating in any way to an Agreement or these terms and conditions shall be commenced only in a competent court sitting in Mexico City, Federal District. The parties hereby expressly waive their right to any other jurisdiction that could correspond to them as a consequence of their future or present domiciles or for any other reason whatsoever.