



DISCLAIMER

READ CAREFULLY

As a service to its customers Polycorp Ltd. provides technical and application information to assist in the understanding of specific rubber lining needs. This information should be used as a guide only and the customer should not, in any way, assume or imply any liability on the part of Polycorp Ltd. with the use of this information.

Polycorp Ltd.'s responsibility is limited to the terms and conditions of the Exclusive Terms and Conditions of Sale set forth in this section. It is further understood that the technical and application information provided by Polycorp Ltd. can be affected by many factors such as inaccurate service conditions, weather, application skills and synergistic effects as they relate to a project.

Polycorp Ltd. disclaims liability for damages that may result from the use of this information except as provided in the Exclusive Terms and Conditions of Sale set forth in this section.

EXCLUSIVE TERMS AND CONDITIONS OF SALE

Polycorp Ltd. protective lining products and accessories ("Product(s)") are offered under the following terms and conditions and only to those customers to whom Polycorp Ltd. has directly mailed this Product Manual ("Customer"). **Possession of this product manual by others does not constitute an offer to sell products to such parties.** Additional terms and conditions of sale may be shown on or attached to sales order confirmations issued by Polycorp Ltd. Any additional or different terms or conditions stated in any purchase order or other document issued by Customer in connection with its purchase of the Product(s) are expressly rejected by Polycorp Ltd. and will have no effect and will not, under any circumstances, be binding on Polycorp Ltd.

These Exclusive Terms and Conditions of Sale ("Terms and Conditions of Sale") together with terms shown on or attached to Polycorp Ltd.'s sales order confirmations shall constitute the entire and exclusive contract (this "Agreement") between Polycorp Ltd. and Customer. This Agreement is intended to be a final expression of Polycorp Ltd.'s and Customer's understanding and agreement with respect to its terms and shall supersede all prior negotiations, promises, agreements and representations not set forth herein or on any sales order confirmations issued by Polycorp Ltd. Polycorp Ltd.'s acceptance of Customer's order is expressly conditioned on Customer's assent to the terms and conditions of this Agreement (including, without limitation, the Terms and Conditions of Sale). Any oral or written order by Customer, whether quoted, shipped or received by Polycorp Ltd., shall be construed as a written acceptance by Customer of Polycorp Ltd.'s offer to sell in accordance with this Agreement, and any such order shall be filled in accordance with the terms as provided in this Agreement. No other terms and conditions shall apply and no modifications or amendments to this Agreement shall be of any force and effect unless specifically set forth in a writing that expressly references these Terms and Conditions of Sale and is signed by an authorized employee of Polycorp. Ltd. Additionally, no modification shall be effected by an acknowledgment or acceptance by Polycorp Ltd. of any oral or written purchase order from Customer containing any different terms and conditions, and any such inconsistent terms and conditions shall be deemed to be superseded by this Agreement.

If for any reason Customer fails to accept this Agreement in writing, any conduct that demonstrates the existence of a contract (including, without limitation, the delivery of Product(s) in accordance with this Agreement prior to written acceptance hereof and acceptance of such items by Customer) shall constitute an agreement by Customer and

Polycorp Ltd. to all of the Terms and Conditions of Sale or other terms and conditions shown on or attached to Polycorp Ltd.'s sales order confirmations.

PAYMENT AND SHIPPING TERMS

All terms are net 30 days from the date of shipment as indicated on Polycorp Ltd.'s invoice, F.O.B. shipping point, **provided**, however, that freight shall be prepaid and allowed on each order of at least 2,000 pounds of Products to be shipped to a single destination within Canada or the continental United States. The minimum order for all standard grades of unvulcanized stock is one (1) full roll.

Title and risk of loss shall pass to Customer upon delivery to the common carrier. All shipments will be made to those locations specified in Customer's purchase order or telephone order. Delivery is subject to availability and lead times required by Polycorp Ltd.'s production schedule.

PRICES

All prices quoted are subject to change by Polycorp Ltd. without notice. Prices quoted herein do not include any taxes or duties (including, without limitation, the sales taxes on the Product(s) or freight) or any handling, rigging, uncrating, storage, or other charges incidental to shipment, delivery, storage, installation, or use of the Product(s). **All prices are subject to adjustment to compensate for any increase in raw material costs or for any taxes or levies effective through the date of shipment of any Products sold hereunder.**

CREDIT TERMS

Polycorp Ltd. may establish and change the credit and payment terms extended to Customer when in Polycorp Ltd.'s sole opinion Customer's financial or previous payment record warrants such action, and Customer's order of Products hereunder constitutes an agreement to honor the credit and payment terms so established or changed. Customer will provide promptly upon request such financial information as may be reasonably required by Polycorp Ltd. to complete its credit review of Customer.

DEFAULT

If Customer does not pay any amount when due or does not meet any other obligation hereunder, then (in addition to any other remedies available at law or in equity) Polycorp Ltd. may

accelerate any balance due and require immediate payment thereof, may repossess the Product(s), and may resell the Product(s), in each case, to the extent permitted by applicable law. The net proceeds of any such resale, after Polycorp Ltd.'s cost of repossessing, removing, transporting, reconditioning, refabricating, storing, and reselling the Product(s), and all other associated costs, will be applied to the unpaid balance owed by Customer. Customer will remain liable for any deficiency which remains after such resale, and Polycorp Ltd. will return to Customer all net proceeds in excess of Customer's unpaid balance. With respect to any delinquent payment(s) or accelerated balance(s), Customer will pay a finance charge at the rate of eighteen percent (18%) annually, or at the maximum applicable lawful rate of interest permitted by the laws of the state or province to which the Products are shipped, if lower, computed from the date each delinquent payment of accelerated balance shall have become due. Furthermore, in any action initiated to enforce the terms and conditions of this Agreement following Customer's default, Polycorp Ltd. shall recover as part of its damages all cost, expenses, and attorney fees incurred in connection with any actions taken on account of such default.

WARRANTY, DISCLAIMERS, AND LIMITATIONS ON LIABILITY

All warranties applicable to the Products are set forth in the Warranty Statement included in this section below. No other warranties are offered by Polycorp Ltd. with respect to the Products and Polycorp Ltd. has not authorized any employee or agent to offer any warranties except those expressly set forth herein.

MISCELLANEOUS

Polycorp Ltd. may change the construction, design, or configuration of the Products without notice to Customer as long as the general function of the Products is not thereby altered.

This Agreement (including, without limitation, the Terms and Conditions of Sale) are to be interpreted under the laws of the province of Ontario, and the federal laws of Canada applicable therein, without regard to principles of choice of law.

Course of dealing, course of performance, course of conduct, prior dealings, usage of trade, community standards, and customary practice or interpretation in matters involving the Products or the design, sale, delivery, installation, use, or maintenance of the Products or of similar or dissimilar goods shall not serve as references in interpreting the terms and conditions of this Agreement.

Notwithstanding any other provisions, and in addition to all other conditions and exclusions set forth herein, Polycorp Ltd. will not be liable for any delay or default in performance caused by events beyond its control, including (by way of example and not by way of limitation) any acts of God, any acts of third parties, any acts of Customer or any of Customer's employees, agents, or representatives, acts of civil or military authorities, fires, floods, and other similar and dissimilar natural causes, riots, wars, sabotage, vandalism, embargoes, labor disputes, strikes, lockouts, lack or shortage of transportation, labor, materials, supplies, fuel, power, or other resources, delays in receiving any permits or licenses, delays caused by any laws, regulations, proclamations, ordinances, or any government action or inaction, delays caused by contractors and subcontractors, or any other cause or condition beyond Polycorp Ltd.'s control. In the event of any such delay or default, the time for performance of obligations of Polycorp Ltd. will be extended for a commercially reasonable period of time.

Polycorp Ltd. reserves the right to allocate its available supplies among its customers on such basis as Polycorp Ltd. may deem fair and practical under the circumstances without liability for any resulting failure of performance.

Customer's payment obligations hereunder are independent of any other obligations Customer or Polycorp Ltd. may have under the terms and conditions of this Agreement or any other contract or account with Polycorp Ltd. or any other business unit of Polycorp Ltd. Customer will not exercise any right of offset in connection with any balances due under the terms and conditions of this Agreement or under any other contract or account with Polycorp Ltd. or any other business unit of Polycorp Ltd.

All sales are subject to Polycorp Ltd.'s senior management review and express written approval of credit and finance matters and any terms, conditions, or descriptions inconsistent with the terms and conditions of this Agreement.

Any failure by Polycorp Ltd. at any time, or from time to time, to enforce or require the strict keeping and performance by Customer of any of the terms and conditions of this Agreement shall not constitute a waiver by Polycorp Ltd. of a breach of any such terms or conditions, nor shall it affect or impair such terms or conditions in any way, or the right of Polycorp Ltd. at any time to avail itself of such remedies as it may have for any such breach or breaches of such terms or conditions. A waiver of any of the terms or conditions hereof must be in writing and signed by Polycorp Ltd. Any such waiver shall not be deemed a continuing waiver, but shall apply solely to the instance to which the waiver is directed. If any of these terms or conditions or portion thereof are rendered unenforceable under the law, all remaining terms and

conditions of this Agreement not affected by such determination shall remain in full force and effect and shall be binding upon Polycorp Ltd. and Customer.

Except as otherwise provided in writing, nothing contained herein shall be construed to give any rights or benefits to anyone other than Polycorp Ltd. and Customer, and all duties and responsibilities undertaken pursuant hereto will be for the sole and exclusive benefit of Polycorp Ltd. and Customer and not for the benefit of any other party.

WARRANTY STATEMENT

Polycorp Ltd. warrants to the original Customer that Products sold by Polycorp Ltd. will, under normal use and service, be free from defects in materials and workmanship (the "Warranty"). The Warranty for any Product commences on the date of shipment as reflected on Polycorp Ltd.'s invoice and expires 12 months after such date.

In order for Customer to make a valid claim that any Product supplied by Polycorp Ltd. does not meet the Warranty, Customer must fully comply with the following Warranty claim procedures:

Customer shall have notified Polycorp Ltd. in writing prior to the Warranty expiration date and shall have received a written Returned Goods Authorization (RGA) from Polycorp Ltd. referencing the Product(s) covered by the Warranty; and Customer shall have returned such Product(s) to Polycorp Ltd. referencing Customer's RGA, freight collect via common carrier specified by Polycorp Ltd. (or freight prepaid if returned via any other carrier). In no event will Polycorp Ltd. make on-site repairs or replacements.

If Polycorp Ltd. determines that a returned Product is covered under the Warranty, then Polycorp Ltd. shall, at its option in its sole discretion, either (i) replace the returned Product at no additional cost to Customer or (ii) refund the original purchase price paid for such returned Product. **Customer acknowledges and agrees that its failure to (i) follow the Warranty claim procedures set forth above, including (without limitation) the process by which it reports any alleged defects in materials or workmanship and obtains its RGA from Polycorp Ltd., or (ii) comply with the other Warranty conditions set forth herein, shall constitute a release and waiver of all Warranty obligations of Polycorp Ltd. hereunder.**

The Warranty is subject to the condition that Customer notifies Polycorp Ltd. immediately in the event the Product at any time demonstrates any defect in materials or workmanship. The Warranty is subject to the further conditions that materials not intended for immediate

application shall be stored in humidity-controlled warehouses or storage areas at temperatures not to exceed 50° F. and in no event shall be stored for any period of time at temperatures exceeding 120° F. or where the material may be subject to partial cure. The Customer is responsible for proper installation and normal care and maintenance of the Product.

The Warranty does not include coverage for any defect or performance deficiency, which is the direct or indirect result, in whole or in part, of accidents, abuse, misuse, operation of Product(s) outside of their environmental, electrical or performance specifications, conditions, capabilities, or standards, vandalism or any other damage or alteration of the Product(s) by persons other than Polycorp Ltd. employees, combining incompatible products, fires, floods, and other similar and dissimilar natural causes, damage, alteration, or any impairment of the Product(s) resulting from causes or conditions not associated with ordinary storage, handling, installation, maintenance, service, or use, maintenance or service by any party other than Customer or a designated representative of Polycorp Ltd., or any acts, omissions, causes, or events beyond the control of Polycorp Ltd. It is solely Customer's responsibility to test and determine the suitability of any Product for any intended use, and although Polycorp Ltd. may have recommended a Product at Customer's request, Customer assumes all risk and liability whatsoever regarding such Product's suitability for Customer's purposes or any other intended use. Furthermore, the Warranty does not extend to dimensional changes or other defects directly or indirectly caused by storage, handling, or processing the Product(s) under environmental conditions exceeding those recommended by Polycorp Ltd. or generally accepted by the industry for the Product(s) or for any storage, handling, manufacturing, or fabrication process used by Customer involving the Product(s). The Warranty does not apply to Products that have not been paid in full. Polycorp Ltd. must be given a reasonable period of time to inspect any Product that is the subject of a Warranty claim, and Customer's failure to allow such inspection shall invalidate any warranty claim. **The Warranty is not transferable to any subsequent purchaser or users of the Product(s).**

The Warranty is (i) the sole and exclusive warranty provided for the Product(s), (ii) extends only to the original Customer (and not to any subsequent purchasers or users), (iii) is expressly in lieu of any other warranties, express or implied, including without limitation any warranty of merchantability, fitness for particular purpose or otherwise, even if such purpose is known to Polycorp Ltd., and (iv) in lieu of any other obligations or liability on the part of Polycorp Ltd. Polycorp Ltd. neither assumes, nor has authorized anyone to assume for it, any other warranty or liability in connection with its Product(s). If implied warranties arise or exist under any applicable law and cannot be waived or disclaimed, then those warranties will last only as long as the Warranty.

LIMITATIONS OF LIABILITY

It is expressly agreed that Customer's sole remedies relating to the products are set forth herein. Polycorp Ltd. will have no liability under any circumstances for any consequential, incidental or special damages by reason of any act of omission arising out of or in connection with the Products, or the sale, delivery, installation, maintenance, operation, performance, or use of the Products, including (by way of example and not by way of limitation) damages, expenses, or losses incurred by reason of loss of use, lost revenues, lost profits, damage to associated equipment or to facilities, costs of capital, costs of substitute products or facilities, costs of replacement products, costs associated with down time, and any similar and dissimilar damages, expenses, or losses whether any such liability is based on contract, tort, or other legal or equitable principles, and in no event shall Polycorp Ltd.'s liability exceed the purchase price of the Product(s) identified or involved in any dispute. The sole purpose of the stipulated sole remedy set forth in this section shall be to provide Customer with free replacement or refund for defective Products in the manner provided herein. This sole remedy will not be deemed to have failed of its essential purpose so long as Polycorp Ltd. is willing and able to replace defective Products in the manner prescribed herein or, in its sole option, to provide a refund of the original purchase price paid by the Customer for such Product.