

LTL COLOR COMPOUNDERS, LLC

STANDARD TERMS AND CONDITIONS OF SALE

FORMATION OF CONTRACT

A purchase order placed by Buyer with LTL may be accepted only upon written acknowledgment of the purchase order on behalf of LTL by an authorized officer of LTL. A purchase order placed by Buyer may also be accepted by LTL through an affirmative action taken by LTL subsequent to LTL's receipt of the purchase order and toward the fulfillment thereof. LTL accepts orders and supplies Products to, or for the account of, Buyer pursuant thereto subject to these Standard Terms and Conditions of Sale [which Standard Terms and Conditions of Sale, together with those documents or parts of documents, if any, which specify the Products and which have been signed or accepted by LTL in writing are collectively referred herein as the "Sales Agreement"]. Without limiting the generality of the foregoing, LTL's receipt of a purchase order or its shipment of Products to Buyer does not constitute an acceptance by LTL of the terms and conditions of Buyer's purchase order or any proposal relating thereto unless the purchase order or proposal has been accepted in the manner set forth herein and has become part of the Sales Agreement hereunder.

ANY ATTEMPTED MODIFICATION OF THESE STANDARD TERMS AND CONDITIONS OF SALE PROPOSED BY BUYER IN A PURCHASE ORDER OR IN ANY OTHER DOCUMENT CONTAINING TERMS AND CONDITIONS INCONSISTENT WITH OR IN ADDITION TO THESE STANDARD TERMS AND CONDITIONS OF SALE SHALL NOT BE BINDING UPON LTL IN WRITING. LTL OBJECTS TO ANY TERMS AND CONDITIONS INCONSISTENT WITH OR IN ADDITION TO THESE STANDARD TERMS AND CONDITIONS OF SALE UNLESS SPECIFICALLY ACCEPTED BY LTL IN WRITING.

These Standard Terms and Conditions of Sale govern the above-described Purchase Order.

PRICES AND DELIVERY

Unless otherwise agreed in writing, prices for Products shall be LTL's list prices current at the time of shipment in U.S. Dollars. Payment terms shall be net thirty [30] days from date of invoice. Shipping costs to other locations by means or routes other than those selected by LTL shall be borne by Buyer. LTL shall separately indicate on its invoice(s) any Federal, state, or local tax, transportation tax, or other tax, which is required to be imposed, all of which is the Buyer's responsibility. Title to Products purchased hereunder and all risk of loss or damage with respect thereto shall pass to Buyer at the time the Product is tendered for delivery by LTL to Buyer at the point of delivery.

All delivery dates are approximate. In no event shall LTL be liable for consequential, special, incidental or exemplary damages based on any delay in delivery or failure to deliver Products under the Sales Agreement.

VARIATIONS

Unless otherwise agreed in writing and notwithstanding anything contained herein to the contrary, any variation over or under in quantities shipped not exceeding 10% of the quantities ordered shall constitute compliance with the order and the unit price will apply to the quantity actually delivered.

CANCELLATIONS

In the event that Buyer cancels an order for material not customarily carried in stock by LTL, LTL shall have the right to reject such cancellation, or to accept such cancellation in which event LTL may charge Buyer as liquidated damages an amount equal to the current list price for completed material or an equitable price as determined by LTL based upon the degree of processing for materials in process at the time of cancellation together with transportation and warehousing charges. Cancellations must be issued in writing to LTL.

PAYMENTS

Upon any failure by Buyer to make payment in accordance with the terms hereof, the unpaid amount shall be deemed to be delinquent and the balance due shall bear interest at the maximum rate of 18% annum or the highest rate of interest permitted by applicable law until paid in full. Buyer agrees to pay any and all collection costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Seller in collecting or attempting to collect any such past due amount. Nothing contained in this paragraph shall preclude LTL's right to proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Buyer of the covenants therein set forth.

In the event Buyer fails to fulfill previous terms of payment or in case LTL shall have any doubt at any time as to Buyer's financial responsibility, LTL may decline to make further deliveries to Buyer except upon receipt of cash or other special arrangements acceptable to LTL in LTL's sole discretion. If Buyer fails to agree to such special arrangements, LTL may cancel any unshipped portion of Buyer's purchase order and Buyer shall indemnify LTL for any and all loss, damages, cost, and expense suffered by LTL which arises from or as a result of such cancellation.

WARRANTY

LTL warrants that the Products will conform, in all material respects, to LTL's specifications therefor in effect at the time of delivery of the Product or such other specifications as may be mutually agreed upon in writing by LTL and Buyer [the "Specifications"]. Buyer shall inspect all Products delivered hereunder for damage or shortage immediately upon receipt by Buyer, and shall immediately provide LTL with written notice of any such damage or shortage. The conditions of any test of the Products for conformance with Specifications shall be mutually agreed upon between LTL and Buyer and LTL shall be notified in writing of, and may be [at LTL's election] represented at, all tests that may be made. Failure by Buyer to notify LTL in writing of any damage or shortage within five (5) days after Buyer's receipt of Products from the carrier shall constitute an unconditional waiver by Buyer to claim any such damage or shortage, except with respect to a claim that the Products do not conform to Specifications, as set forth in the paragraph below.

If any product is determined not to conform to the Specifications within the earlier of [a] sixty (60) days from the date of shipment or [b] the date of use or resale of the Product by Buyer, such Product shall, upon LTL's receipt of satisfactory evidence that the Product does not so conform with Specifications, be replaced by LTL without additional cost to Buyer or, at LTL's option, LTL shall refund to Buyer the purchase price therefor.

This remedy is Buyer's sole and exclusive remedy for any breach of the warranty herein contained. Defective Products shall not be returned by Buyer until authorized in advance by LTL. Products returned by Buyer for non-conformity shall, to the extent possible, be returned intact in form as shipped and retain the LTL or manufacturer's identity. THE WARRANTY STATED HEREIN IS IN LIEU OF ALL OTHER WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

LIMITATION OF LIABILITY, REMEDY AND DAMAGES

The liability of LTL or any supplier to LTL of Products [hereinafter referred to as a "Supplier"] arising out of or incident to possession or use of the Products or any technical advice relating thereto is limited to the warranty obligations set forth above in the Warranty Article and in no event shall any Supplier's liability, whether based in contract, warranty, negligence or other tort, strict liability, or otherwise exceed the purchase price of the Product in question. Upon the expiration of the applicable warranty period specified herein, all such liability, whether based in contract, negligence or other tort, strict liability, breach of warranty or otherwise, shall be deemed waived unconditionally and absolutely. The foregoing shall constitute the sole and exclusive remedy of the Buyer and the sole and exclusive liability of LTL of and its Supplier. IN NO EVENT SHALL LTL OR ANY SUPPLIER BE LIABLE FOR CONSEQUENTIAL, SPECIAL, INCIDENTAL OR EXEMPLARY DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, LOSS OF USE OF THE PRODUCT OR ANY ASSOCIATED EQUIPMENT, COST OF ANY SUBSTITUTE FOR THE PRODUCT, DOWNTIME, CLAIMS OF THIRD PARTIES AND INJURY TO PROPERTY. THIS LIMITATION SHALL APPLY NOTWITHSTANDING A FINDING THAT ANY REMEDY FAILS OF ITS ESSENTIAL PURPOSE.

SUITABILITY OF PRODUCTS; TECHNICAL ADVICE

Buyer agrees that it is not relying upon any representation, statement or other assertion made by LTL or its Supplier with respect to the Products and their suitability, express or implied, and that Buyer has made its own inquiry, testing and investigation into and based thereon has formed an independent judgment concerning the Products and the suitability of the Products for the use, conversion or processing intended by Buyer [or any purchaser or assignee of Buyer] and will not assert any claim against LTL or any Supplier of Product or hold LTL or any Supplier of Product liable in any manner with respect to any information, testing, designs furnished [or failed to be furnished] by LTL or any Supplier of Product including without limitation, technical advice or recommendations. Statements made by LTL or its Supplier concerning possible or suggested uses of materials or designs described herein are not to be construed as constituting a license under any patent covering such use nor as recommendations for use of such materials or designs in the infringement of any patent.

PATENTS

Except as otherwise provided in the preceding sentence, LTL shall defend any suit or proceeding brought against the Buyer insofar as such suit or proceeding is based on a claim that any Product, or any part thereof, in the form as delivered by LTL to Buyer, constitutes an infringement of any patent of the United States, if notified promptly in writing and given exclusive authority, information and assistance [at LTL's expense] for the defense of any infringement claim and all negotiations relating to its settlement, and LTL shall pay all damages and costs awarded therein against the Buyer. In case a Product or part is enjoined, LTL shall, at its own option and expense, (i) procure for the Buyer the right to continue using the Product or part, or (ii) replace same with non-infringing Product or part, or (iii) modify it so it becomes non-infringing, or (iv) accept return of the Product from Buyer and refund the purchase price and the transportation's cost thereof to the Buyer. The foregoing states the entire liability of LTL and its Supplier for patent infringements by the Products or any part thereof. Buyer covenants and agrees to cooperate with and assist LTL in connection with any infringement or similar action described in this paragraph.

LTL shall not be responsible under this provision, and Buyer shall indemnify, defend, and hold LTL harmless against any expense or loss, including attorney's fees, resulting, directly or indirectly, from infringement of any intellectual property rights, including patents, trade secrets or trademarks, if such infringement arises from LTL's compliance with Buyer's specifications or instructions.

TERMINATION FOR DEFAULT

Either party may terminate this Sales Agreement upon fifteen (15) days prior written notice, in the event the other party breaches any material term or condition of this Sales Agreement provided, however, that during such notice period, the party in default may [if the default does not arise as a result of such party's failure to make a payment otherwise due hereunder] cure its default and thereby abate the termination; provided, further, that if such default shall require a longer period to remedy, so long as the party in default has taken reasonable steps within such period to commence the curing of the default and the nondefaulting party is not adversely affected thereby, the termination shall be abated as long as such steps continue to be taken. Notwithstanding the foregoing or anything, contained in the Sales Agreement to the contrary, if Buyer is in default, LTL may suspend shipments of Product during such cure period without liability to Buyer.

FORCE MAJEURE

Neither Buyer nor LTL shall be liable for its failure to perform its obligations [except the obligation to pay money], either in whole or in part, under the terms of the Sales Agreement if such failure is a result of causes beyond its reasonable control, such as acts of God, acts of the other party or labor disruptions, strikes, fire, floods, war, government regulation, the delay in or inability to obtain labor, machinery, material, Product or services through its usual and regular sources or any other condition of cause beyond its reasonable control, said causes being hereafter referred to as "Force Majeure" and the quantities of material affected by Force Majeure shall be deleted from the contract quantities. In the event the Force Majeure condition is not alleviated on or before the expiration of sixty (60) days, then the party not affected by the Force Majeure condition may, at its option, terminate the Sales Agreement upon written notice to the other party, such termination to be without further liability to either party. If for any reason supplies of the Products deliverable hereunder of feedstock from which such Products are derived from any LTL's sources are curtailed or cut off or are inadequate to meet LTL's own requirements and its obligations to its customer, LTL's obligation hereunder shall be reduced to the extent necessary in LTL's reasonable judgment to apportion fairly among LTL's own requirements and its regular customers such Products as can be made available in the ordinary and usual course of LTL's business from any such sources of supply.

PRODUCT WARNINGS AND INSTRUCTIONS

LTL agrees to furnish Buyer Material Safety Data Sheets ["MSDS's"] for the Product where applicable. The Products may be, or may become, hazardous materials or hazardous substances under various laws and regulations when handled or processed. The Buyer agrees to familiarize itself [without any further reliance on LTL] with any hazards of the Products, their processing and applications and the containers in which the Products are shipped. The Buyer agrees to pass LTL's MSDS's to all those required by law to receive same and to inform and train its employees and properly warn and train its customers as to hazards identified in the MSDS's or discovered by Buyer in its investigations. The Buyer further agrees to properly manage and dispose of all wastes and/or residues resulting from its use of the Products, in accordance with applicable laws and regulations.

SECURITY

Buyer hereby grants to LTL a perfected first-priority security interest in and to the Products until all payments hereunder with respect thereto [including deferred payments, whether evidenced by notes or otherwise] shall have been received in full by LTL and the Buyer agrees to do all acts necessary to perfect and maintain such security interest [including, without limitation, the execution and delivery of UCC-1 financing statements for filing in all filing offices required by LTL].

GOVERNMENT PROCUREMENT REQUIREMENTS

Buyer acknowledges that Products supplied by LTL may not meet applicable government procurement requirements and that LTL may not be able to supply information required by government procurement regulations. If LTL has not expressly agreed in writing with Buyer that its Products shall meet certain government procurement requirements or that LTL will provide Buyer with information under government procurement regulations, LTL shall have no duty, obligation, or liability whatsoever with respect to any requirements related to or arising from government procurement regulations or supply of Product to the government.

GENERAL

The Sales Agreement contains the complete and exclusive agreement among the parties and supersedes all prior understandings whether written or oral. Unless LTL has provided written consent, any partial or complete assignment of right(s) or delegation of obligation(s) shall be void. The Sales Agreement may not be changed, renewed, extended or modified in any manner, orally or otherwise, except by an instrument in writing signed by a duly authorized representative of LTL. Neither course or performance, nor course of dealing, nor usage of trade shall be used to qualify, explain or supplement any of the terms of the Sales Agreement. Any failure of LTL anytime, or from time to time, to require the performance by the Buyer of any other terms and conditions of the Sales Agreement shall not constitute a waiver by LTL of these Conditions of Sale and shall not affect or impair this Sales Agreement in any way. Each provision hereof shall apply to the full extent permitted by law, and the invalidity in whole or in part of any provisions shall not affect the remainder of such provision or any other provision. This Sales Agreement shall be interpreted and governed by the laws of the State of Pennsylvania, excluding its conflicts of laws rules.

DOCUMENTS COMPRISING SALES AGREEMENT

-Confirming Sales Order-Invoice