

PURCHASE ORDER TERMS AND CONDITIONS [GOODS]

1. **Goods.** Supplier shall deliver the goods (“Goods”) in accordance with the attached Goods Purchase Order and these Terms and Conditions (collectively, the “P.O.”). Supplier shall not subcontract the manufacturer of the Goods without the written consent of ASI.
2. **Warranty.** All goods and materials shall be new, unless otherwise specified in this P.O. Supplier warrants to A. Schulman Inc. (“ASI”) that the Goods purchased under this P.O. are: (a) free of defects in materials, workmanship or design, in conformance with ASI’s written specifications, vest in ASI good and valid title to the Goods free and clear of all liens, encumbrances, security interests, burdens and/or other claims; and (b) free of infringement or violation of any copyright, trademark or other intellectual property rights. Any modifications to ASI’s written specifications shall be in writing and signed by ASI and Supplier. The warranty period is 1 year from date of receipt of Goods by ASI. The warranty period for repaired or replaced Goods is 1 year from the date of acceptance by ASI.
3. **Inspection and Acceptance.** ASI reserves the right to inspect and either accept or reject Goods that contain any defect in materials, workmanship or design or fail to conform to ASI’s written specifications. Neither ASI’s inspection nor failure to inspect shall relieve Supplier of any obligations hereunder.
4. **ASI Remedies.** If a defect or nonconformance in materials, workmanship or design is discovered during the 1 year warranty period, ASI may, at its option: (a) return the Goods to Supplier at Supplier’s expense for a full refund of the purchase price; (b) require Supplier to repair or replace the defective or nonconforming Goods within 5 days of Supplier’s receipt thereof; or (c) exercise any other rights that ASI may have in law or in equity. Goods that are returned to ASI under this warranty after repair or replacement are subject to the same inspection and acceptance provisions of this P.O. as Goods originally delivered. Supplier shall pay all costs related to repairing or replacing such Goods, including, but not limited to: labor, materials, inspection, and shipping costs. If ASI incurs any such costs directly, ASI may recover such costs from Supplier or offset such amount against unpaid purchase orders for other Goods. Supplier will transfer any manufacturer’s warranties to ASI.
5. **Pricing; Invoices and Payment.** The prices in this P.O. include all direct, indirect and incidental charges related to the sale and delivery of the Goods to ASI, including, but not limited to packaging, packing, crating, storage, forwarding agent and brokerage fees, insurance costs, freight shipping charges, document fees, duties and charges of any kind. Invoices will be payable 60 days following the date of delivery of the Goods and ASI’s receipt of invoice, together with the appropriate supporting documentation. Each invoice will be subject to verification by ASI and deductions will be made for disputed items, if any. **Submit invoices in duplicate to: A. Schulman, Inc., Attn: Accounts Payable Department, 3637 Ridgewood Road, Fairlawn, Ohio 44333.** ASI shall have the right (but not the duty) to withhold payments due to Supplier hereunder and apply same to the payment of any obligations of Supplier to ASI. Delay in receiving invoices, as well as errors and omissions on invoices, will be considered just cause for ASI to withhold payment without losing discount privileges, if any.
6. **Termination.** ASI or Supplier may terminate this P.O. upon default of the other party, upon written notice to the defaulting party. ASI may terminate this P.O. at any time for any reason, upon notice to Supplier. Upon termination of this P.O. by ASI for reasons other than Supplier’s default, ASI’s entire liability shall be to purchase the following, without duplication: (i) all Goods that had been purchased by Supplier to fulfill ASI’s order as evidenced by reasonable documentation provided to ASI, and (b) all Goods received by ASI that have not been paid for. Upon termination of this P.O. by ASI due to Supplier’s default, ASI may elect to purchase, at Supplier’s cost, any Goods Supplier may have purchased to fulfill ASI’s order; or (b) exercise any other rights that ASI may have in law or in equity.
7. **Delivery; Title and Risk of Loss or Damage.** Time is of the essence. Failure to deliver the Goods on the date and place agreed to is a default under this P.O. Supplier shall notify ASI of any delay to the delivery date and ASI may elect, at its option to (a) accept the revised delivery schedule; (b) require Supplier, at Supplier’s expense to deliver the Goods by a different mode of transportation; (c) terminate this P.O.; and/or (d) exercise any other remedy available to ASI at law or in equity. Title and risk of loss or damage to the Goods is with Supplier until receipt by ASI.
8. **Packing, Marking and Shipment.** Supplier shall prepare and pack all Goods in accordance with good commercial practice so as to ensure safe delivery without damage or loss. Supplier shall mark each shipping container to show ASI’s P.O. number or other ASI reference number. Supplier shall include in each container a packing list showing the P.O. number, part number and quantity.
9. **Prohibition on Conflict Minerals.** Reference is made to Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act implementing provisions addressing disclosure of the use of conflict minerals originating from

- the Democratic Republic of Congo or adjoining countries (the “Regulation”). Supplier represents, warrants, certifies and covenants that the Goods supplied in accordance with this P.O. do not contain conflict minerals from the Democratic Republic of Congo or adjoining countries, and if the Goods supplied in accordance with this P.O. do contain conflict minerals, such Goods are DRC conflict free. Supplier shall be solely responsible and liable for assessing and monitoring its supply chain to ensure compliance with this provision. Supplier shall execute written documentation, including certifications, as ASI or its customers may reasonably request to confirm and certify compliance with the foregoing. The terms “conflict minerals,” “adjoining country,” and “DRC conflict free” shall have the meanings assigned such terms in the regulations.
10. **Confidentiality.** Supplier will hold any information concerning ASI in absolute and strict confidence. Supplier will not refer to ASI in any advertising, press release, client list or other promotional or marketing material.
 11. **ASI’s Trademarks, Logos and Advertising.** ASI’s name, trademark and/or logo may not be used by Supplier without ASI’s prior written approval. Supplier will not, without ASI’s prior approval (which approval ASI may withhold in its discretion), refer to ASI in any advertising, press release, client list or other promotional or marketing materials.
 12. **Insurance.** If Supplier delivers Goods within any ASI facility, Supplier shall maintain insurance coverage as follows: (a) Workers’ Compensation with statutory limits including Employers’ Liability with limits of not less than \$ 1,000,000 each accident/\$1,000,000 each employee for disease/\$1,000,000 policy limit for disease; (b) Commercial General Liability with limits not less than a combined single limit of \$1,000,000 each occurrence/\$2,000,000 general aggregate/\$2,000,000 products & completed operations aggregate. Such insurance shall be written on an occurrence basis on a current Insurance Services Office (ISO) or equivalent form; (c) Business Automobile Liability with limits not less than \$1,000,000 combined single limit each accident. Such insurance shall be written on an occurrence basis on a current Insurance Services Office (ISO) or equivalent form; (d) All Risk Equipment Insurance covering all risk of physical damage to equipment owned by or provided by Supplier and brought to an ASI facility for use by Supplier. Supplier shall provide ASI with certificates of insurance evidencing all required insurance. Insurance carriers providing said insurance shall be admitted to do business in the state where the Goods are to be supplied and shall carry an A.M. Best’s rating not less than A-, VIII. All insurance policies hereunder shall (a) name ASI as an additional insured, (b) be primary to any other insurance carried by ASI which shall be specifically excess to and not contributing therewith; and (c) include a provision waiving the insurer’s right of subrogation against ASI. If requested by ASI, Supplier shall obtain an endorsement requiring thirty (30) days written notice to ASI before cancellation or material change in coverage of Supplier’s insurance coverage.
 13. **Indemnification.** Supplier agrees to defend, indemnify, release and hold ASI and its employees, consultants, agents, directors and officers harmless from and against any and all liabilities, damages (including punitive damages), losses, claims, demands, judgments, costs, and expenses (including the cost of defense thereof and attorney fees) whether in contract, strict liability or tort that ASI may at any time sustain or incur by reason of any claims asserted against any of them on account of bodily injury, death or property damage in any way resulting from, relating to, arising out of, or that are in any way connected with the Goods supplied by Supplier, its employees, contractors, or agents or the delivery thereof.
 14. **Limitation of Liability.** Supplier waives any claim against ASI for consequential, special or punitive damages allegedly suffered by Supplier, including lost profits and business interruption.
 15. **Notice.** Notice to ASI shall be sent to 3637 Ridgewood Road, Fairlawn, OH 44333 Attn: Chief Legal Officer. Any notice given under this P.O. shall be in writing and will be effective: (a) when delivered if delivered in person; or, (b) 3 days after deposited in the United States mail to the address provided on the first page of this P.O. E-mail communications are solely for the convenience of the parties and will not constitute valid or effective legal notice for purposes of this P.O.
 16. **Entire Agreement; Additional or Different Provisions Rejected; Modifications; Amendment.** This P.O. constitutes the entire agreement between ASI and Supplier. **Any additional or different provisions proposed by Supplier are rejected and will not be effective unless agreed to in writing by ASI.** The parties may agree to amend provision(s) contained in these Purchase Order Terms and Conditions (Goods) if such amendment (i) is in writing and specifically references the provision(s) in this P.O. is to be amended and (ii) is executed by an officer or Business Unit Director of ASI.
 17. **Governing Law; Venue.** This P.O. will be governed by and construed in accordance with the laws of the State of Ohio and the EXCLUSIVE VENUE for any actions brought under this P.O. will be in Summit County, Ohio.
 18. **Assignment.** Supplier shall not assign this Agreement or otherwise delegate any Goods or services to be provided hereunder without the prior written approval of ASI. ASI reserves the right to approve or disapprove all or sub-suppliers proposed by Supplier, which may be withheld at ASI’s sole discretion. Supplier shall be fully responsible for all work performed by or sub-suppliers.
 19. **Compliance with Law.** Supplier shall comply with all applicable laws, regulations and ordinances. Further, Supplier shall comply with ASI’s Global Supplier Code of Conduct, which is posted at www.aschulman.com.

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