

RAW MATERIALS PURCHASE AGREEMENT TERMS AND CONDITIONS

1. GOVERNING PROVISIONS.

In the event of conflict between the Commercial Terms and this Exhibit A, the Commercial Terms shall prevail. Each shipment received by Buyer from Seller shall be deemed to be only upon the terms in this Agreement, except as they may be added to, modified, superseded, or otherwise altered by mutual agreement of the Parties, notwithstanding any terms and conditions that may be contained in any acknowledgment, invoice or other form of Seller and notwithstanding Buyer's act of accepting or paying for any shipment or any similar act of Buyer, and Buyer and Seller hereby reject any different or additional terms and conditions proposed by the other Party. Notwithstanding anything to the contrary contained herein, Buyer may issue purchase orders or release orders against this Agreement, to indicate quantities to be shipped or other commercial arrangements between the parties, provided such terms are consistent with the Commercial Terms.

2. COMPLIANCE WITH LAWS.

Seller warrants that the Products and any services performed hereunder shall conform to, the requirements of all applicable Federal, State and local laws, regulations, rules and orders (collectively, the "Laws"). In accordance with the foregoing provision, but not by way of limitation, it is specifically understood that Buyer is an Equal Opportunity Employer and Seller warrants that Seller complies with the Fair Labor Standard Act of 1938, as amended. Seller agrees that, if this is construed to be a subcontract within the meaning of the Rules and Regulations approved by the United States Secretary of Labor pursuant to Executive Order 11246, as amended, the Vietnam Era Veterans Readjustment Act of 1974, as amended, or the Rehabilitation Act of 1973, as amended, or of the regulations issued pursuant to Executive Order 11625, the provisions of the applicable regulations as well as the Equal Opportunity and Nondiscrimination provision of Section 202 of Executive Order 11246 shall be incorporated herein by reference and shall be binding upon Seller as part of this Agreement.

Seller warrants that all Products shall be adequately contained, packaged, marked and labeled and registered in compliance with all applicable Laws and that all Products are in compliance with any applicable safety standards under the Occupational Safety and Health Act of 1970, as amended, and applicable regulations. Seller warrants that every chemical substance and/or mixture, are in compliance with the Toxic Substances Control Act, as amended, and its implementing regulations, in that such chemical substance is on the Inventory of Chemical Substances under the act, or subject to an applicable exemption thereto. If a Product is regulated under the Federal Food, Drug and Cosmetic Act, as amended (the "Act"), Seller warrants that each shipment or other delivery of the Products covered by this Agreement, are as of the date of shipment or delivery, whichever is later, not adulterated or misbranded within the meaning of the Act and are not articles which may not, under the provisions of Section 405, 505 or 512 of the Act, be introduced into interstate commerce and are not adulterated or misbranded within the meaning of the food, drug or cosmetic laws of any state or municipality. The foregoing warranty shall be a continuing warranty and shall apply to each shipment. Seller warrants that all color additives covered by this Agreement were manufactured by Seller and (where color additive regulations require certification) are from batches certified in accordance with the applicable regulations promulgated under this Act. Seller shall defend, indemnify and save harmless Buyer from and against any claims, liabilities, expenses (including attorneys' fees), fines, penalties, damages and/or economic losses (collectively referred to as "Losses") arising out of or resulting from the failure of Seller and/or the Products to comply with the requirements of this Paragraph 2.

3. PRICE AND DELIVERY.

Price is to cover the quantity of the Products. No extra charge of any kind, including charges for boxing, packing or crating shall be allowed unless specifically agreed to in writing in advance by Buyer. At any time during the term of this Agreement that Buyer can purchase goods of a like quantity at a price or under terms which will result in a delivered cost to Buyer that is lower than the delivered cost of the Products, Buyer may notify Seller of such lower delivered cost and Seller shall, within fifteen (15) days after such notice, advise Buyer in writing whether or not Seller shall meet such price or such terms. If Seller elects not to meet such price or such terms, or fails to advise Buyer within such period, Buyer may purchase the lower delivered cost goods, and the quantity of any purchase so made shall correspondingly reduce the purchase and sales obligations of Buyer and Seller hereunder. Unless otherwise provided in this Agreement, delivery of the Products shall be at Buyer's facility and risk of loss, liability and/or damage shall remain with Seller until the Products are physically delivered to Buyer's facility.

4. FAVORED NATIONS.

Seller warrants that the prices for the Products are not less favorable than those currently extended to any other customer for the same or like goods. In the event that, at any time during the term of this Agreement, Seller sells any Product at a delivered cost that is lower than the delivered cost to Buyer, then Seller shall reduce the price to Buyer correspondingly for all such Products during the period of time such lower price is in effect with any third party or for six (6) months from the date such Product was first sold at such lower price, whichever period of time is longer.

5. INSPECTION AND ACCEPTANCE.

All Products shall be accepted subject to Buyer's rights of inspection, rejection, and revocation of acceptance (pursuant to the provisions of Article 2 of the Uniform Commercial Code). Payment for or use of Products prior to inspection shall not constitute acceptance thereof and shall be made without prejudice to any and all claims that Buyer may have against Seller. Any Buyer's signature on any shipping/receiving document shall not constitute acceptance of Product or any different terms or conditions, or acknowledge condition of Product but shall merely acknowledge receipt of a shipment.

Without limiting any of Buyer's rights provided by law or by this Agreement, Seller shall, upon request of Buyer and at Seller's expense, immediately replace at Buyer's facility any Products rightfully rejected by Buyer.

6. TAXES AND GOVERNMENTAL CHARGES.

Any existing tax, excise or governmental charge or any increase in or any additional such tax or charge (other than taxes based upon or measured by Seller's net income or net worth) imposed after the execution date of this Agreement upon the sale of any Product sold hereunder which Seller may be required to pay, shall be paid by Buyer to Seller in addition to the purchase price. Buyer shall provide Seller, with a properly completed exemption certificate for any tax from which Buyer claims exemption.

Seller shall, upon request of Buyer, inform Buyer whether the Products are imported or manufactured with imported materials and furnish Buyer with all documentation required for duty drawback for product or imported materials contained in the Product purchased by Buyer hereunder.

7. PATENTS.

Seller agrees to defend, indemnify and hold harmless Buyer, its successors, customer and users, from and against all Losses resulting from any actual or alleged infringement of any intellectual property right, or any litigation based thereon, with respect to the Products (or any part thereof and including Seller's process of manufacturing Products), and any such obligation shall survive acceptance of such Products and payment therefore by Buyer.

8. INDEMNIFICATION.

Seller shall assume the sole responsibility for any and all actual or alleged damage or injury (including death) to any and all persons (including, but not limited to employees of Seller or Buyer) and to all property arising out of or resulting from the performance of its obligations under this Agreement or the negligence of Seller, and shall defend, indemnify and save harmless Buyer from and against any and all Losses of whatever nature arising therefrom except that Seller shall not be liable for Losses to the extent such Losses are caused by the sole negligence of Buyer.

9. WARRANTY.

Seller warrants good title to all Products and that the Products are free from any encumbrances. Seller warrants that the Products are merchantable, safe, fit for their intended use, and conform to any specifications, drawings, samples, or other descriptions referenced herein or applicable thereto.

Buyer's failure to give notice to Seller of any claim within twelve (12) months from the date of Buyer's receipt of the Product shall constitute Buyer's acceptance of the Product and a waiver by Buyer of all claims with respect thereto, unless such claim is not readily discoverable within such twelve (12) month period, in which case Buyer shall give notice within sixty (60) days after Buyer learns of the facts giving rise to the claim. Products, which do not meet the warranty, shall, at Buyer's option, be immediately replaced at Buyer's facilities by Seller, at Seller's expense, or Buyer shall obtain a full refund from Seller.

These warranties shall survive any inspection, delivery, use or acceptance of Products, or payment therefore by Buyer. Seller agrees that all warranties and indemnities applicable to Products provided hereunder shall automatically inure to the benefit of, and be directly enforceable by, a third party purchasing or receiving such Products from Buyer.

10. CANCELLATION.

Time is of the essence of this Agreement. In addition to all its other legal remedies, Buyer reserves the right to cancel all or any part of the undelivered Products if Seller does not make deliveries as specified, or if Seller breaches any of the terms hereof.

11. FORCE MAJEURE.

Each party shall be absolved from liability from any act, omission or circumstance occasioned by any cause not within its control, without the negligence of the party affected, and which could not, by reasonable diligence, have been foreseen or avoided. Such acts, omissions or circumstances, however, shall not relieve a party of liability in the event of its failure to use reasonable diligence to remedy the situation and remove the cause with all reasonable dispatch and to give notice (including all details of the situation) in writing to the other party as soon as possible after the occurrence thereof. If by reason of any such Force Majeure event, the quantity of Products available to Seller shall be less than its total needs for its own use and sale, Seller shall allocate on a fair and equitable basis. Quantities so affected, may at the option of Buyer, be eliminated from the

Agreement without liability and Buyer may at its option terminate the Agreement.

12. SECRECY.

Seller agrees not to make any use of writings, data, designs, drawings, specifications or any other information furnished to it by Buyer or observed or developed by Seller in the performance hereof, except as required in the performance of this Agreement. Upon request, Seller shall return to Buyer all of the foregoing, including all copies, extracts or derivatives of tangible materials containing any of the foregoing. Buyer shall at all times have title to all drawings, specifications, writings or other documents prepared or furnished by Seller hereunder.

13. MATERIAL SAFETY DATA SHEETS.

Seller shall furnish Buyer, prior to the first delivery, Seller's current Material Safety Data Sheet and other literature pertaining to the hazards associated therewith and the precautions which should be observed with respect thereto. Seller shall promptly furnish Buyer copies of any revisions to any of the same issued by Seller during the term of this Agreement.

14. QUALITY COMMITMENT.

Seller acknowledges and commits itself to continuous quality improvement. In particular, Seller specifically acknowledges its commitment to attempt to attain 100% conformance with all of its obligations pursuant to this Agreement, including the goals of 100% on-time delivery and 100% conformance with warranty obligations. Buyer may note in writing to Seller any non-conformance by Seller to the contract requirements and Seller shall comply with the requirements of Buyer's Non-Conformance Management System.

In the event that the composition, packaging or sourcing of raw materials used in the production of Products is altered, or the manufacturing process, quality tests, or quality test methods used in the manufacture of the Products is altered, Seller agrees to promptly notify Buyer of the alteration.

Upon its request, Buyer or its customer may inspect and verify Products at Seller's facilities.

Seller agrees to promptly notify Buyer of loss of any third party certification (such as ISO9000 Series, QS9000) that occurs during the term of this Agreement or any extension thereof.

15. AUDIT AND INSPECTION.

Buyer shall have the right to engage an independent auditor to inspect and audit Seller's records, to evaluate and verify Seller's compliance with the terms of this Agreement. If an audit inspection or examination in accordance with this Article, discloses overcharges (of any nature) by the Seller in excess of the lesser of 1% of the annual amount purchased by Buyer or \$5,000, Buyer shall be reimbursed for the cost of such audit. Any adjustments and/or payments that must be made as a result of any such audit or inspection of the Seller's records shall be made within a reasonable amount of time (not to exceed 60 days) from presentation of Buyer's findings to Seller.

Buyer shall have the right to conduct health, safety and environmental ("HSE") audits and inspections at Seller's manufacturing sites. Buyer shall assess an HSE rating in accordance with Buyer's standard procedures. If, in the opinion of Buyer, such HSE rating is unsatisfactory, Seller agrees to address any deficiencies identified by Buyer, to Buyer's satisfaction, within three (3) months from Buyer's submission of the HSE rating to Seller. If Seller fails to correct all such deficiencies to Buyer's satisfaction within such three (3) month period, Buyer shall have the right to terminate the Agreement by giving Seller one (1) month written notice of its intent to so terminate.

16. SUBSTANCE ABUSE.

Seller certifies at all times while Seller's employees are on Buyer's premises, Seller shall be in compliance with the Drug Free Workplace Act of 1988, as it may be amended, (which shall be deemed to apply to any services performed hereunder) and any governmental laws or regulations regarding substance abuse. Seller will take all action: (i) necessary to comply with such requirements and (ii) which Buyer reasonably deems necessary to prevent substance abuse or their influence on Seller's employees while on Buyer's premises.

17. MISCELLANEOUS.

No transfer or assignment of this Agreement or any of its rights or obligations shall be made by either party without the written consent of the other party which consent shall not be unreasonably withheld or delayed. The failure of either party to insist in any instance upon strict performance by the other party of any provision of this Agreement shall not be construed as a continuing waiver of such item, or waiver of any other provision of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state of Delaware without reference to its conflicts of law principles.

18. NON-COLLUSION.

Seller warrants that Seller has not and will not, directly or indirectly, enter into any agreement, participate in collusion or otherwise take any action in restraint of free or competitive bidding, including, but not limited to, any offer or promise of future employment or business opportunity by or for any contractor or subcontractor, or any personnel of Buyer or its contractors or subcontractors associated with this transaction.

19. ANTI-KICKBACK.

When Seller has reasonable grounds to believe that a Buyer or Seller employee, subcontractor or subcontractor employee, directly or indirectly, solicited, accepted or attempted to accept any money, fee, gratuity, offer or promise of future employment or business opportunity, or thing of value of any kind for the purpose of improperly obtaining or rewarding favorable treatment in connection with a contract or subcontract associated with Buyer, Seller shall promptly report in detail the possible misconduct to Buyer's Corporate Security Department or Buyer's confidential Compliance Hotline at 1-800-241-1280.