

TERMS AND CONDITIONS OF SALE

1. Applicability; Acceptance.

These Terms and Conditions of Sale ("Terms") apply to all quotations, order acknowledgments, invoices, and sales of products ("Products") by PROSOCO, Inc. ("Seller") to the purchaser ("Buyer"). Seller's acceptance of any order is solely on the basis that these Terms and no others apply. Any additional, different, or inconsistent terms, whether contained in a purchase order, acknowledgment, release, portal, or other document or verbal communication, are rejected and shall not apply unless otherwise governed by a separate written agreement signed by Buyer and a corporate officer of Seller which expressly supersedes these Terms.

2. Orders; Billing Basis.

Buyer agrees to purchase the Products identified by Seller at the quantities and prices accepted by Seller as indicated on Seller invoices. Seller bills by item number based on the applicable unit, case, pail, drum, tote, or container quantity established by Seller. Broken-case quantities, split units, and special packaging shall be billed pro rata at Seller's then-current list price 150% of the stated price.

3. Prices; Taxes.

Product pricing is subject to change without notice. The price applicable to any Order shall be the price accepted by Seller and reflected on Seller's invoice, unless Seller has issued a special written quotation expressly stating different pricing, in which case such quotation shall expire thirty (30) days from issuance unless a different period is stated therein. Prices do not include freight, insurance, storage, handling, taxes, duties, tariffs, brokerage, or other governmental charges, all of which shall be paid by Buyer unless Buyer provides a valid exemption certificate acceptable to Seller before invoicing.

4. Payment Terms; Credit; No Holdbacks.

Payment terms shall be those stated on Seller's invoice, quotation, order acknowledgment, credit approval, or other writing issued by Seller. Any extension of credit is subject to Seller's continuing credit approval and may be changed, suspended, or withdrawn by Seller at any time in Seller's sole discretion. Seller may require, as a condition of shipment or continued performance, cash in advance, payment upon delivery, progress payments, a letter of credit, guaranty, or other security acceptable to Seller.

Buyer shall pay all invoiced amounts in full, when due, without setoff, recoupment, deduction, backcharge, retainage, counterclaim, or other withholding of any kind. Payment to Seller is not contingent upon Buyer's receipt of payment from, or approval by, any owner, contractor, subcontractor, architect, distributor, or other third party.

5. When Payment Is Made; Late Charges; Collection Costs.

Payment is deemed made only when received by Seller in immediately available funds. Any check, ACH, or other remittance later dishonored shall not constitute payment. Past-due balances shall accrue a service charge at the lesser of one and one-half percent (1.25%) per month or the maximum rate permitted by applicable law. Buyer shall reimburse Seller for all costs of collection, enforcement, and recovery, including reasonable attorneys' fees, court costs, and collection agency fees.

6. Freight; Delivery; Risk of Loss.

Unless otherwise stated by Seller in writing, all shipments are F.O.B. Seller's dock or other Seller-designated shipping point, Lawrence, Kansas, and risk of loss passes to Buyer upon tender of the Products to the carrier. Shipping dates are estimates only and are not guaranteed. Seller shall not be liable for any delay in manufacture, allocation, shipment, or delivery. Buyer shall pay any additional costs arising from Buyer-requested delays, rescheduling, special routing, detention, storage, or expedited service.

7. Inspection; Shortages; Transit Damage; Acceptance.

Buyer shall inspect all Products immediately upon receipt. Visible shortages, shipping damage, or shipping discrepancies must be noted on the carrier receipt at delivery and reported to Seller in writing within five (5) business days after receipt. Any other claim that Products are nonconforming must be made in writing within fifteen (15) days after receipt. Failure to provide timely written notice shall constitute irrevocable acceptance of the Products and waiver of the claim.

8. Returns; Cancellations.

No Product may be returned without Seller's prior written return material authorization ("RMA"). Authorized returns must be made strictly in accordance with the RMA instructions and may be subject to a restocking charge of twenty-five percent (25%), plus freight and any cost required to inspect, recondition, or dispose of the returned Product. Custom, special-order, nonstock, opened, partially used, aged, temperature-compromised, obsolete, or damaged Products are not returnable. Returned products must have at least 50% of their original shelf life remaining at the time of return. Returns with non-matching lot numbers from the RMA will not be refunded. Orders for custom, special-order, or nonstock Products may not be canceled except with Seller's written consent and upon payment of all costs and liabilities incurred by Seller.

9. Product Use; Buyer Responsibilities.

Buyer acknowledges that Seller's Products are industrial and specialty construction products requiring proper storage, handling, surface preparation, testing, and application. Buyer and all downstream users are solely responsible for determining the suitability of the Products for the intended use, substrate,

project conditions, and applicable laws, codes, specifications, and project requirements. Prior to each use, Buyer and all downstream users must read and follow Seller's current labels, product data sheets, safety data sheets, technical literature, and written instructions. Buyer shall not repackage, relabel, or alter any Product and shall furnish current product data sheets and safety data sheets to its customers and users.

10. Limited Warranty; Disclaimer of Other Warranties; Exclusive Remedy; Limitation of Liability.

Seller warrants only that, at the time of shipment, the Products are free from manufacturing defects and conform in all material respects to Seller's then-current published product specifications for such Products. Seller does not warrant workmanship, design, compatibility with other materials, or fitness for any particular project or use. Because conditions of storage, handling, application, weather, substrates, and use are beyond Seller's control, Buyer assumes all risk and responsibility for such conditions and for determining suitability of the Products.

EXCEPT FOR THE EXPRESS LIMITED WARRANTY ABOVE IN SECTION 10, SELLER MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR ARISING FROM COURSE OF DEALING, USAGE OF TRADE, OR OTHERWISE. No oral statement, field advice, sample, bulletin, or representation by Seller or its representatives shall create any warranty or modify these Terms.

Buyer's exclusive remedy, and Seller's sole obligation, for any valid claim relating to the Products shall be, at Seller's option, either: (a) replacement of the nonconforming Product; or (b) credit or refund of the purchase price actually paid for the specific nonconforming Product. Seller shall have no obligation for labor, removal, installation, delay, downtime, damage to other materials, loss of use, loss of profits, loss of goodwill, project back charges, liquidated damages, penalties, or any incidental, indirect, special, exemplary, punitive, or consequential damages, whether the claim is based in contract, warranty, tort, negligence, strict liability, statute, or otherwise. Seller's total aggregate liability shall in no event exceed the purchase price actually paid for the specific Product giving rise to the claim. Acceptance and use of this product absolves PROSOCO from any liability beyond that of the express warranty, from whatever source. This warranty may not be modified or extended by representatives of PROSOCO, Inc. other than corporate officers, its distributors or dealers.

11. Suspension; Adequate Assurance; Remedies.

If Buyer fails to make any payment when due, breaches these Terms, becomes insolvent, is the subject of bankruptcy or similar proceedings, or if Seller in good faith deems itself insecure regarding Buyer's performance or creditworthiness, Seller may, without liability and in addition to any other rights and remedies: (a) suspend performance; (b) refuse future orders; (c) cancel open orders; (d) require adequate assurance of performance; (e) require revised payment terms, advance payment, or security; and/or (f) pursue all rights available at law or in equity. Seller may contact project owners, general contractors, sureties, or other responsible parties to seek payment assurances, joint-check arrangements, or other commercially reasonable protection of Seller's payment rights.

12. Force Majeure.

Seller shall not be liable for any failure or delay in performance caused by events beyond Seller's reasonable control, including acts of God, severe weather, fire, flood, explosion, epidemic, pandemic, labor dispute, transportation shortage, raw material shortage, utility interruption, governmental action, war, terrorism, civil disturbance, embargo, or supplier failure. In such event, Seller may allocate available inventory and production among customers in its sole discretion and may suspend, delay, or cancel affected orders without liability.

13. Compliance with Law

Seller certifies, to the extent applicable, that Products were produced in compliance with Sections 6, 7, and 12 of the Fair Labor Standards Act, as amended, and the regulations and orders issued thereunder. Buyer shall comply with all laws and regulations applicable to its storage, transportation, resale, export, use, and disposal of the Products.

14. No Waiver; Severability; Survival.

Seller's failure to enforce any provision of these Terms shall not constitute a waiver of that provision or any other provision. If any provision is held unenforceable, the remaining provisions shall remain in full force and effect. Provisions which by their nature should survive shall survive, including payment obligations, warranty limitations, disclaimers, remedies, governing law, and collection rights.

15. Governing Law; Venue; Limitation Period.

These Terms and all sales by Seller shall be governed by the internal laws of the State of Kansas, without regard to conflict-of-law rules. The United Nations Convention on Contracts for the International Sale of Goods shall not apply. Any action arising out of or relating to these Terms or the sale of Products shall be brought exclusively in the state or federal courts located in Kansas, and Buyer consents to such jurisdiction and venue. Any claim by Buyer relating to the Products or their sale must be commenced within one (1) year after the claim accrues.