

**GENERAL PROVISIONS  
COMMERCIAL SUBCONTRACTS/PURCHASE ORDER**

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**INTRODUCTORY NOTE:**

For purposes of these General Provisions, "Buyer" shall mean the specific entity issuing this Contract -- Sierracin/Sylmar Corporation, PRC-DeSoto International, Inc. or PPG Industries, Inc.

**1. ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS**

- (a) This Contract integrates, merges, and supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between the Parties.
- (b) SELLER's acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER's unqualified acceptance of this Contract.
- (c) Additional or differing terms or conditions proposed by SELLER or included in SELLER's acknowledgment hereof are hereby objected to by BUYER and have no effect unless expressly accepted in writing by BUYER.

**2. APPLICABLE LAWS**

- (a) This Contract shall be governed by and construed in accordance with the law of the State from which this Contract is issued, excluding its choice of law rules. SELLER agrees to comply with all applicable laws, orders, rules, regulations and ordinances.
- (b) SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to BUYER hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended.
- (c) SELLER shall provide to BUYER with each delivery any Material Safety Data Sheet applicable to the Work in conformance with and containing such information as required by the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder, or its State approved counterpart.

**3. ASSIGNMENT**

Any assignment of SELLER's contract rights or delegation of duties shall be void, unless prior written consent is given by BUYER. However, SELLER may assign rights to be paid amounts due, or to become due, to a financing institution if BUYER is promptly furnished a signed copy of such

assignment reasonably in advance of the due date for payment of any such amounts. Amounts assigned to an assignee shall be subject to setoffs or recoupment for any present or future claims of BUYER against SELLER. BUYER shall have the right to make settlements and/or adjustments in price without notice to the assignee.

**4. CHANGES**

- (a) BUYER's Procurement Representative may at any time, by written notice, and without notice to sureties or assignees, make changes within the general scope of this Contract in any one or more of the following: (i) drawings, designs or specifications; (ii) method of shipping or packing; (iii) place of inspection, acceptance or point of delivery; and (iv) delivery schedule.
- (b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of this Contract, Buyer shall make an equitable adjustment in the Contract price and/or delivery schedule, and modify the Contract accordingly. Changes to the delivery schedule will be subject to a price adjustment only.
- (c) Any claim for an equitable adjustment by SELLER must be submitted in writing to BUYER within thirty (30) days from the date of notice of the change, unless the Parties agree in writing to a longer period.
- (d) Failure to agree to any adjustment shall be resolved in accordance with the "Disputes" clause of this Contract. However, nothing contained in this "Changes" clause shall excuse SELLER from proceeding without delay in the performance of this Contract as changed.

**[Alternate Changes Clause: Changes in the terms and conditions of this Contract may be made only by written agreement of the parties.]**

**5. CONTRACT DIRECTION**

- (a) Only the BUYER Procurement Representative has authority to amend this Contract. Such amendments must be in writing.

- (b) BUYER engineering and technical personnel may from time to time render assistance or give technical advice or discuss or effect an exchange of information with SELLER's personnel concerning the Work hereunder. Such actions shall not be deemed to be a change under the "Changes" clause of this Contract and shall not be the basis for equitable adjustment.
- (c) Except as otherwise provided herein, all notices to be furnished by the SELLER shall be sent to the BUYER Procurement Representative.

**6. DEFAULT**

- (a) BUYER, by written notice, may terminate this Contract for default, in whole or in part, if SELLER fails to comply with any of the terms of this Contract, fails to make progress as to endanger performance of this Contract, or fails to provide adequate assurance of future performance. SELLER shall have ten (10) days (or such longer period as BUYER may authorize in writing) to cure any such failure after receipt of notice from BUYER. Default involving delivery schedule delays shall not be subject to the cure provision.
- (b) BUYER shall not be liable for any Work not accepted; however, BUYER may require SELLER to deliver to BUYER any supplies and materials, manufacturing materials, and manufacturing drawings that SELLER has specifically produced or acquired for the terminated portion of this Contract. BUYER and SELLER shall agree on the amount of payment for these other deliverables.
- (c) SELLER shall continue all Work not terminated.
- (d) If after termination under paragraph (a), it is later determined that SELLER was not in default, such termination shall be deemed a Termination for Convenience.

**7. DEFINITIONS**

The following terms shall have the meanings set forth below:

- (a) "Contract" means the instrument of contracting, such as "PO", "Purchase Order, or other such type designation, including all referenced documents, exhibits and attachments. If these terms and conditions are incorporated into a "master" agreement that provides for releases, (in the form of a Purchase Order or other such document) the term "Contract" shall also mean the Release document for the Work to be performed.
- (b) "BUYER" means BUYER, acting through its companies, or business units, as identified on the face of the Contract. If a subsidiary or affiliate of BUYER Inc. is identified on the face of the Contract than "BUYER" means that subsidiary, or affiliate.
- (c) "BUYER Procurement Representative" means a person authorized by BUYER's cognizant procurement organization to administer and/or execute this Contract.
- (d) "PO" or "Purchase Order" as used in any document constituting a part of this Contract shall mean this Contract.
- (e) "SELLER" means the Party identified on the face of the Contract with whom BUYER is contracting.

- (f) "Work" means all required articles, materials, supplies, goods, and services constituting the subject matter of this Contract.

**8. DISPUTES**

All disputes under this Contract which are not disposed of by mutual agreement may be decided by recourse to an action at law or in equity. Until final resolution of any dispute hereunder, SELLER shall diligently proceed with the performance of this Contract as directed by BUYER.

**9. EXPORT CONTROL**

- (a) The Parties acknowledge that they, as well as the products, services, and technology ("Items") sold or otherwise transferred under this Agreement, may be subject to U.S. and other export controls, embargoes, sanctions and similar laws, regulations and requirements ("Export Controls"), as well as Buyer's export policies, controls, and procedures ("PPG's Export Compliance Requirements") as communicated to SELLER in writing during the course of our business relationship.
- (b) SELLER agrees to (1) comply with Export Controls; and (2) provide BUYER with all information and documentation deemed necessary by BUYER in order for BUYER to comply with all Export Controls as they relate to this business transaction.
- (c) SELLER shall report to BUYER's Chief Compliance Officer ("CCO") any suspected or actual violations of any Export Controls that involve items or employees of PPG or its subsidiaries ("Reports"), to the extent such reporting is legally permitted in SELLER's country. SELLER may also report any suspected or actual violations of BUYER's Global Code of Ethics ("Code"), especially the portion of the Code related to export compliance. With respect to any such Reports, SELLER may use one of the following three options to notify PPG of a suspected or actual violation: (1) BUYER's confidential, anonymous "Hotline"; (2) PPG's online reporting system; or (3) direct email to Chief Compliance Officer@ppg.com. Information on all three options is available at www.ppg.com. Both the Hotline and online reporting system are reviewed by BUYER's CCO. It is against BUYER's policy to retaliate against anyone for making a good faith report of a violation of the law, BUYER's export compliance policies, or PPG's Code. BUYER is committed to maintaining the confidentiality and anonymity of such reports.
- (d) Should SELLER fail to comply with the foregoing requirements, PPG reserves the right to take appropriate action, including terminating this business relationship. In addition, and notwithstanding any other provision of this Agreement, SELLER agrees to indemnify, defend, and hold harmless BUYER, its officers, employees, agents, and representatives, from and against any and all claims, demands, suits, causes of action, expenses (including reasonable attorneys' fees), damages, losses or liabilities of any nature whatsoever, arising from, or allegedly arising from or related to, SELLER's failure to adhere to Export Controls, BUYER's Export Compliance Requirements as communicated to SELLER in writing by BUYER during the course of our business relationship, or this Agreement.
- (e) The provisions of this Export Compliance section of the Agreement are in addition to any other provisions of the Agreement related to compliance with any laws or regulations. To the extent that this section of the Agreement is inconsistent with any other provision of the Agreement, the Parties agree that the provisions of this section supersede any such inconsistent provision. The Parties further agree that the obligations under this section survive the termination of this Agreement

10. **EXTRAS**

Work shall not be supplied in excess of quantities specified in the Contract. SELLER shall be liable for handling charges and return shipment costs for any excess quantities.

11. **FURNISHED PROPERTY**

- (a) Buyer may provide to SELLER property owned by either BUYER or its customer (Furnished Property). Furnished Property shall be used only for the performance of this Contract.
- (b) Title to Furnished Property shall remain in BUYER or its customer. SELLER shall clearly mark (if not so marked) all Furnished Property to show its ownership.
- (c) Except for reasonable wear and tear, SELLER shall be responsible for, and shall promptly notify BUYER of, any loss or damage. Without additional charge, SELLER shall manage, maintain, and preserve Furnished Property in accordance with good commercial practice.
- (d) At BUYER's request, and/or upon completion of this Contract the SELLER shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposal as may be directed by BUYER.
- (e) In the event that BUYER reasonably determine that SELLER is in material breach of this Contract and/or BUYER terminates this Contract for any reason, and upon BUYER's written request, SELLER shall promptly deliver Furnished Property to BUYER or permit BUYER access during business hours to remove such Furnished Property.

12. **GRATUITIES/KICKBACKS**

No gratuities (in the form of entertainment, gifts or otherwise) or kickbacks shall be offered or given by SELLER, to any employee of BUYER with a view toward securing favorable treatment as a supplier.

13. **INDEPENDENT CONTRACTOR RELATIONSHIP**

- (a) SELLER is an independent contractor in all its operations and activities hereunder. The employees used by SELLER to perform Work under this Contract shall be SELLER's employees exclusively without any relation whatsoever to BUYER.
- (b) SELLER shall be responsible for any costs or expenses including attorneys' fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Contract.

14. **INFORMATION OF BUYER**

Information provided by BUYER to SELLER remains the property of BUYER. SELLER agrees to comply with the terms of any Proprietary Information Agreement with BUYER and to comply with all Proprietary Information markings and Restrictive Legends applied by BUYER to anything provided hereunder to SELLER. SELLER agrees not to use any BUYER provided information for any purpose except to perform this Contract and agrees not to disclose such information to third parties without the prior written consent of BUYER.

15. **INFORMATION OF SELLER**

SELLER shall not provide any proprietary information to BUYER without prior execution by BUYER of a Proprietary Information Agreement.

16. **INSPECTION AND ACCEPTANCE**

- (a) BUYER and its customer may inspect all Work at reasonable times and places, including, when practicable, during manufacture and before shipment. SELLER shall provide all information, facilities, and assistance necessary for safe and convenient inspection without additional charge.
- (b) No such inspection shall relieve SELLER of its obligations to furnish all Work in accordance with the requirements of this Contract. BUYER's final inspection and acceptance shall be at destination.
- (c) If SELLER delivers non-conforming Work, BUYER may; (i) accept all or part of such Work at an equitable price reduction; (ii) reject such Work; or (iii) make, or have a third party make all repairs, modifications, or replacements necessary to enable such Work to comply in all respects with Contract requirements and charge the cost incurred to SELLER.
- (d) SELLER shall not re-tender rejected Work without disclosing the corrective action taken.

17. **INSURANCE/ENTRY ON BUYER PROPERTY**

In the event that SELLER, its employees, agents, or subcontractors enter the site(s) of BUYER or its customers for any reason in connection with this Contract then SELLER and its subcontractors shall procure and maintain worker's compensation (in a minimum amount consistent with applicable law), comprehensive general liability (minimum \$1 million), automotive liability (minimum \$1 million), bodily injury and property damage insurance (in reasonable amounts), and such other insurance as BUYER may require. In addition, SELLER and its subcontractors shall comply with all site requirements. SELLER shall indemnify and hold harmless BUYER, its officers, employees, and agents from any losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs, by reason of property damage or loss or personal injury to any person caused in whole or in part by the actions or omissions of SELLER, its officers, employees, agents, suppliers, or subcontractors. SELLER shall provide BUYER thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of SELLER's required insurance. If requested, SELLER shall send a "Certificate of Insurance" showing SELLER's compliance with these requirements. SELLER shall name BUYER as an additional insured for the duration of this Contract. Insurance maintained pursuant to this clause shall be considered primary as respects the interest of BUYER and is not contributory with any insurance which BUYER may carry. "Subcontractor" as used in this clause shall include SELLER's subcontractors at any tier.

18. **INTELLECTUAL PROPERTY**

Subparagraph (a) is NOT applicable for commercial off-the-shelf purchases unless such off-the-shelf Work is modified or redesigned pursuant to this Contract.

- (a) SELLER agrees that BUYER shall be the owner of all inventions, technology, designs, works of authorship, mask works, technical information, computer software, business information and other information conceived, developed or otherwise generated in the performance of this Contract by or on behalf of SELLER. SELLER hereby assigns and agrees to assign all right, title, and interest in the foregoing to BUYER, including without limitation all copyrights, patent rights and other intellectual property rights therein and further agrees to execute, at BUYER' request and expense, all

documentation necessary to perfect title therein in BUYER. SELLER agrees that it will maintain and disclose to BUYER written records of, and otherwise provide BUYER with full access to, the subject matter covered by this clause and that all such subject matter will be deemed information of BUYER and subject to the protection provisions of the clause entitled "Information of BUYER". SELLER agrees to assist BUYER, at BUYER' request and expense, in every reasonable way, in obtaining, maintaining, and enforcing patent and other intellectual property protection on the subject matter covered by this clause.

- (b) SELLER warrants that the Work performed and delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. SELLER agrees to defend, indemnify and hold harmless BUYER and its customers from and against any claims, damages, losses, costs and expenses, including reasonable attorneys' fees, arising out of any action by a third party that is based upon a claim that the Work performed or delivered under this Contract infringes or otherwise violates the intellectual property rights of any person or entity.

#### 19. NEW MATERIALS

The Work to be delivered hereunder shall consist of new materials, not used, or reconditioned, remanufactured or of such age as to impair its usefulness or safety.

#### 20. OFFSET CREDIT/COOPERATION

All offset or countertrade credit value resulting from this Contract shall accrue solely to the benefit of BUYER. SELLER agrees to cooperate with BUYER in the fulfillment of any foreign offset/countertrade obligations.

#### 21. PACKING AND SHIPMENT

- (a) Unless otherwise specified, all Work is to be packed in accordance with good commercial practice.
- (b) A complete packing list shall be enclosed with all shipments. SELLER shall mark containers or packages with necessary lifting, loading, and shipping information, including the BUYER Contract number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Contract number.
- (c) Unless otherwise specified, delivery shall be FOB Destination.

#### 22. PAYMENTS, TAXES, AND DUTIES

- (a) Unless otherwise provided, terms of payment shall be net sixty (60) days from the latest of the following: (i) BUYER' receipt of the SELLER's proper invoice; (ii) Scheduled delivery date of the Work; or (iii) Actual delivery of the Work. BUYER shall have a right of setoff against payments due or at issue under this Contract or any other contract between the Parties.
- (b) Payment shall be deemed to have been made as of the date of mailing BUYER' payment or electronic funds transfer.
- (c) Unless otherwise specified, prices include all applicable federal, state and local taxes, duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice.

#### 23. PRECEDENCE

Any inconsistencies in this Contract shall be resolved in accordance with the following descending order of precedence: (1) Face of the Purchase Order, Release document or Schedule, (which shall include continuation sheets), as applicable, including any Special terms and conditions; (2) Any master-type agreement (such as corporate, sector or blanket agreements); (3) these General Provisions; and (4) Statement of Work.

#### 24. QUALITY CONTROL SYSTEM

- (a) SELLER shall provide and maintain a quality control system to an industry recognized Quality Standard and in compliance with any other specific quality requirements identified in this Contract.
- (b) Records of all quality control inspection work by SELLER shall be kept complete and available to BUYER and its customers.
- (c) SELLER shall maintain a quality system that complies with ISO 9000 standards or equivalent. Quality records must be kept for 10 years.
- (d) Each shipment of Material shall be accompanied by an accurate certificate of analysis or other mutually agreeable quality control data, when required. SELLER acknowledges that BUYER, in reliance upon SELLER'S warranties hereunder, will use the Material without first analyzing or inspecting it.
- (e) SELLER shall not change the composition, suppliers, manufacturing location, or process used to produce the Material from that present when the Material was originally approved by BUYER, without BUYER'S prior written consent.
- (f) Any container holding the Material when the Material is delivered to Buyer will be labeled with the net weight of the Material contained therein, and that the actual weight of the Material contained in any container shall not deviate from the weight shown on the container's label by more than one percent (1%) if the labeled net weight is sixty (60) pounds or less, or by more than one-half of one percent (0.5%) if the labeled weight is greater than sixty (60) pounds.
- (g) The SELLER shall flow down all BUYER's quality related requirements and key product characteristics, if any to its sub-tier suppliers.

#### 25. RELEASE OF INFORMATION

Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Contract or the subject matter hereof, will be made by SELLER without the prior written approval of BUYER.

#### 26. SEVERABILITY

Each paragraph and provision of this Contract is severable, and if one or more paragraphs or provisions are declared invalid, the remaining provisions of this Contract will remain in full force and effect.

#### 27. STOP WORK ORDER

- (a) SELLER shall stop Work for up to ninety (90) days in accordance with the terms of any written notice received from BUYER, or for such longer period of time as the Parties may agree and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work covered by this Contract during the period of Work stoppage.

- (b) Within such period, BUYER shall either terminate or continue the Work by written order to SELLER. In the event of a continuation, an equitable adjustment in accordance with the principles of the "Changes" clause shall be made to the price, delivery schedule, or other provision affected by the Work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after such continuation.

**28. SURVIVABILITY**

If this Contract expires, is completed, or is terminated, SELLER shall not be relieved of those obligations contained in the following provisions:

- Applicable Laws
- Export Control
- Independent Contractor Relationship
- Information of BUYER Insurance/Entry on BUYER Property
- Intellectual Property
- Release of Information
- Warranty

**29. TERMINATION FOR CONVENIENCE**

- (a) For specially performed Work: BUYER may terminate part or all of this Contract for its convenience by giving written notice to SELLER. BUYER's only obligation shall be to pay SELLER a percentage of the price reflecting the percentage of the Work performed prior to the notice of termination, plus reasonable charges that SELLER can demonstrate to the satisfaction of BUYER, using generally accepted accounting principles, have resulted from the termination. SELLER shall not be paid for any Work performed or costs incurred which reasonably could have been avoided.
- (b) In no event shall BUYER be liable for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Contract price. SELLER's termination claim shall be submitted within ninety (90) days from the effective date of the termination.
- (c) For other than specially performed Work: BUYER may terminate part or all of this Contract for its convenience by giving written notice to SELLER and BUYER's only obligation to SELLER shall be payment of a mutually agreed-upon restocking or service charge.
- (d) In either case, SELLER shall continue all Work not terminated.

**30. TIMELY PERFORMANCE**

- (a) SELLER's timely performance is a critical element of this Contract.
- (b) Unless advance shipment has been authorized in writing by BUYER, BUYER may store at SELLER's expense, or return, shipping charges collect, all Work received in advance of the scheduled delivery date.
- (c) If SELLER becomes aware of difficulty in performing the Work, SELLER shall timely notify BUYER, in writing, giving pertinent details. This notification shall not change any delivery schedule.
- (d) In the event of a termination for convenience or change, no claim will be allowed for any manufacture or procurement in advance of SELLER's normal flow time unless there has been prior written consent by BUYER.

**31. WAIVER, APPROVAL, AND REMEDIES**

- (a) Failure by BUYER to enforce any of the provision(s) of this Contract shall not be construed as a waiver of the requirement(s) of such provision(s), or as a waiver of the right of BUYER thereafter to enforce each and every such provision(s).
- (b) BUYER's approval of documents shall not relieve SELLER from complying with any requirements of this Contract.
- (c) The rights and remedies of BUYER in this Contract are cumulative and in addition to any other rights and remedies provided by law or in equity.

**32. WARRANTY**

SELLER warrants that all Work furnished pursuant to this Contract shall strictly conform to applicable specifications, drawings, samples, and descriptions, and other requirements of this Contract and be free from defects in design, material and workmanship. The warranty shall begin upon final acceptance and extend for a period of (i) the manufacturer's warranty period of twelve (12) months, whichever is longer, if SELLER is not the manufacturer and has not modified the Work or, (ii) one (1) year or the manufacturer's warranty period, whichever is longer if the SELLER is the manufacturer of the Work or has modified it. If any non-conformity with Work appears within that time, SELLER, at BUYER's option, shall promptly repair, replace, or re-perform the Work. Transportation of replacement Work and return of non-conforming Work and repeat performance of Work shall be at SELLER's expense. If repair or replacement or re-performance of Work is not timely, BUYER may elect to re-procure the Work at SELLER's expense. All warranties shall run to BUYER and its customers.

**33. INCORPORATION OF FAR CLAUSES**

The Federal Acquisition Regulation (FAR) clauses referenced below (and any related regulations of the Department of Labor) are incorporated herein by reference, with the same force and effect as if they were given in full text. If the date or substance of any of the clauses listed below is different than the date or substance of the clause actually incorporated in any applicable higher-tier government subcontract or prime contract, then the date or substance of the clause appearing in that agreement shall apply instead.

- FAR 52.222-21 Prohibition of Segregated Facilities (APR 2015)
- FAR 52.222-26 Equal Opportunity (APR 2015)
- FAR 52.222-35 Equal Opportunity for Veterans (OCT 2015)
- FAR 52.222-36 Equal Opportunity for Workers with Disabilities (JUL 2014)
- FAR 52.222-37 Employment Reports on Veterans (FEB 2016)