

MOMENTIVE PERFORMANCE MATERIALS

(South Pacific)

PURCHASE ORDER TERMS AND CONDITIONS

1. GENERAL ACCEPTANCE

These Purchase Order Terms and Conditions, the Purchase Order and any expressly identified exhibits constitute the entire agreement and understanding relating to the sale and purchase of the Products, all of which are incorporated herein by reference. and are collectively referred to as the "Contract". Acceptance of this Contract is expressly limited to such terms and conditions, and none of Seller's terms and conditions in issuing this Contracts, shipping instructions or other documents shall apply to this Contract. Buyer shall not be bound by any change in, addition to, or waiver of any of the provisions of this Contract unless approved in writing by an authorized representative of Buyer. If there is any conflict among the terms specified in the Purchase Order and these Terms and Conditions. these Terms and Conditions shall prevail.

2.CHANGE OF ORDERS

Buyer reserves the right at any time to make written changes to any one or more of the following: (i) methods of shipment or packing, (ii) place of delivery, (iii) time of delivery. (iv) manner of delivery, (v) quantities and (vi) bank account information. If any such change causes an increase or decrease in the cost of, or the time required for, performance of the Purchase Order, Seller shall be entitled to claim an equitable adjustment in the price or delivery schedule, or both. Any claim for adjustment under this Section shall be deemed waived unless asserted within twenty (20) days from the date of receipt by Seller of the change order, provided. however, that Buyer, if it decides in its sole discretion that the facts justify such action, may receive and act upon any such claim submitted at any time prior to final payment under the order. Any claim by Seller for adjustment under this Section must be approved by Buyer in writing before Seller proceeds with such change. Price increases shall not be binding on Buyer unless evidenced by a purchase order change notice or revision issued and signed by Buyer's authorized representative.

3.Shipment Terms

3.1 Products shall be delivered in accordance with the delivery terms specified in the Purchase Order governed by and interpreted pursuant to INCOTERMS 2010 as published by the International Chamber of Commerce.

3.2 Products shall be shipped only in full container-load quantities unless otherwise released by Buyer deployment schedules. Risk of loss, damage to the Products shall pass to Buyer upon delivery of the Productsto Buyer or its designated carrier in accordance with the INCOTERMS as specified in the Purchase Order.

3.3 Time is of the essence in the performance of this Contract, and if delivery of Products is not made in the quantities and at the times specified in the Purchase Order, Buyer reserves the right without liability, and in addition to its other rights and remedies, to take either or both of the following actions: (i) direct expedited routings of items (the difference in cost between the expedited routing and the order routing costs shall be paid by Seller), and/or (ii) terminate this Contract by notice effective when received by Seller as to stated items not yet shipped not yet rendered and to purchase substitute items elsewhere and charge Seller with any loss incurred.

3.4 Seller shall be liable for excess transportation charges, delays or claims resulting from Seller's deviation from Buyer's routing instructions. Neither Party shall be liable for excess costs of deliveries or defaults due to causes beyond its control and without its fault or negligence; provided, however, that when Seller has reason to believe that deliveries will not be made as scheduled, it shall immediately furnish a written notice to Buyer setting forth the cause of the anticipated delay. If Seller's delay or default is caused by the delay or default of a subcontractor, such delay or default shall be excusable only if it arose out of causes beyond the control of both Seller and subcontractor and without the fault or negligence of either of them and the items to be furnished or services to be rendered were not obtainable from other sources in sufficient time to permit Seller to meet the required delivery or performance schedule.

3.5 Buyer will have no liability for payment for Products delivered to Buyer which are in excess of quantities specified in the Purchase Order and delivery schedules. Such items shall be subject to rejection and return at Seller's expense, including transportation charges both ways. Buyer will not be liable for any material or production costs incurred by Seller in excess of the amount or in advance of the time necessary to meet Buyer's delivery schedules.

4.Warranty

4.1 seller hereby warrants that Products furnished hereunder shall be free from defects in material, workmanship and design, of merchantable quality and fit for Buyer's purposes and that they shall conform with Buyer's instructions, specifications, drawings and data. Seller hereby further warrants that the Products furnished hereunder shall conform to all representations, affirmations, promises, descriptions, samples or models forming the basis of this Contract. Seller agrees that these warranties shall survive acceptance of the Products. Seller further warrants that all services performed for or on behalf of Buyer will be performed in a competent, workmanlike manner and shall be free from faults and defects. Said warranties shall be in addition to any warranties of additional scope given by Seller to Buyer. None of said warranties and no other implied or express warranties shall be deemed disclaimed or excluded unless evidenced by a purchase order change notice or revision issued and signed by Buyer's authorized representative.

4.2 All Products purchased hereunder (or parts thereof) are to be completely interchangeable with like items (or parts thereof) purchased from Seller previously by Buyer or Buyer's customer. To this end, all designs, processes or procedures used by Seller in supplying like items (or parts thereof) previously are to be used by Seller in supplying the Products (or parts thereof) purchased herein. Any deviation to any of Seller's design, processes or procedures requires Buyer's prior written approval. Seller shall be liable for all of Buyer's costs associated with the discovery and retrofit of noninterchangeable items or

parts thereof resulting from Seller's failure to comply with the requirements of this Article.

5. Inspection

5.1 All Products purchased hereunder are subject to inspection at Buyer's destination either before or after payment or before or after acceptance, at Buyer's option. Buyer reserves the right to reject and refuse acceptance of items which are not in accordance with the instructions, specifications, drawings and data or Seller's warranties (express or implied). Products not accepted will be returned to Seller for full credit or replacement at Buyer's option and at Seller's risk and expense, including transportation charges both ways. No replacement of rejected items shall be made unless specified by Buyer in writing.

5.2 Buyer shall notify Seller by way of a DEFECTIVE MATERIAL REPORT (the "DMR") or other written instrument of all rejected Products. DMR shall contain pertinent information relating to the rejected Products. After an investigation and determination of root cause and corrective action required, Seller shall generate a SELLER CORRECTIVE ACTION REPORT (the "SCAR"). This report is to be issued to Buyer within ten (10) days by Seller after receiving the DMR or other written instrument. Where Products rejection or failure to deliver to schedule produces a significant impact on Buyer's plant and its ability to satisfy Buyer's customer commitments. Seller shall be liable for damages.

5.3 Acceptance of all or any part of the Products shall not be deemed to be a waiver of Buyer's right either to cancel or to return at Seller's risk and expense all or any portion of the Products because of failure to conform to the this Contract, or by reason of defects, latent or patent, or other breach of warranty, or to make any claim for damages, including manufacturing costs, damage to materials, or articles caused by improper boxing, crating or packing, and loss of profits or other special damages incurred by Buyer. Such rights shall be in addition to any other remedies provided by law.

5.4 Seller shall provide Buyer with notice of, and shall obtain Buyer's prior written approval with respect to the implementation of any changes in the manufacturer, manufacturing site or processes relating to the Products.

6. Product Hazards Handling and Safety

Seller guarantees to have expertise and knowledge in the handling, processing, storage, transportation and sale of products into which the Products will be incorporated. Seller shall have provided Buyer its material safety data sheets for the Products and explanations to Buyer as necessary for Buyer to establish and implement appropriate procedure and warnings to protect its employees, agents, direct and indirect customers, contractors and the environment from hazards associated with the handling, processing, blending, storage and transportation of the Products alone and with Buyer's products containing the Products. Seller shall defend, indemnify and hold harmless Buyer, its successors and customers against all claims, demands, losses, suits, damages, liability and expenses (including reasonable attorneys' fees) arising out of any suit, claim or action for Seller's breach of warranty under this Article.

7. Packing

Seller shall use packaging methods and materials that (a) prevent rust, contamination, and water or other damage to Product during shipping and storage, (b) minimize the need to dispose of dunnage,

and (c) where practical, utilize returnable containers. All packaging must comply with all relevant laws, regulations, orders, and decrees, including (without limitation) environmental and safety legislation, as well as Buyer's specifications. Seller shall also be liable for any fumigation and/or other expenses as required to prevent infestation of packaging and/or containers by insects or other pests. No charges for packing, drayage or containers will be allowed unless specified in the Purchase Order. Seller shall prepare, at its expense, labels for the boxes and shipping containers containing such information, if any, as Buyer may specify. Seller shall be liable for damages to Products described herein caused by improper boxing, crating or packing.

8. Indemnification

8.1 Seller agrees (i) to defend, indemnify and hold harmless Buyer, its successors and customers against all claims, demands, losses, suits, damages, liability and expenses (including reasonable attorneys' fees) arising out of any suit, claim or action for actual or alleged direct or contributory infringement of, or inducement to infringe, any patent, trademark, copyright, mask work or other proprietary right by reason of the manufacture, use or sale of the items or services covered by this Contract, including infringement arising out of compliance with specifications furnished by Buyer, or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Seller's actions, (ii) to waive any claim against Buyer, or otherwise, including any hold harmless or similar claim, in any way related to a claim asserted against Seller or Buyer for patent, trademark, copyright or mask work right infringement or the like, including claims arising out of compliance with specifications furnished by Buyer, and (iii) that Buyer shall have a worldwide, nonexclusive, royalty free, irrevocable license to use, sell and have sold, repair and have repaired, and reconstruct and have reconstructed the Products covered by this Contract. Seller assigns to Buyer all right, title and interest in and to all trademarks, copyrights, and mask work rights in any material created for Buyer in connection with this Contract. The obligations of this paragraph shall survive termination or completion of this Contract.

8.2 Seller further agrees to indemnify and save Buyer harmless from any and all losses, liabilities, damages, claims, demands, suits, actions, proceedings, subrogations and expenses, including court costs and reasonable attorneys' fees, related in any way to this Contract, or the services performed or items delivered under this Contract, except for items manufactured entirely to Buyer's specifications, which are claimed or made by any person, firm, association or corporation, including employees, workers, servants or agents of Seller and his subcontractors arising from any cause or for any reason whatsoever. Seller further agrees, upon receipt of notification, to promptly assume full responsibility for the defense of any and all such suits, actions, or proceedings which may be brought against Seller or against Buyer. In the event Buyer's machinery or equipment is used by Seller in the performance of any work that might be required under this Contract, such machinery or equipment shall be considered as being under the sole custody and control of Seller during the period of such use by Seller.

8.3 Seller agrees to indemnify and protect Buyer against all liability, claims or demands for injuries or damages to any person or property growing out of the performance of this Contract. Seller further agrees to furnish evidence of insurance showing that Seller has and will maintain adequate insurance coverage in the opinion of Buyer, including but not limited to comprehensive general liability insurance. Such evidence of insurance must set forth the name of the insurer, policy number, expiration date, and

limits of liability. Compliance by Seller with insurance requirements does not in any way affect Seller's indemnification of Buyer above.

9.Limitation of Liability

In no event will Buyer be liable for any lost revenues, lost profits, incidental, indirect, consequential, special, or punitive damages. Buyer's total liability to Seller for any claim relating to this Contract shall not exceed the purchase price of the Product in respect of which such claim is made.

10.Setoff

Any indebtedness of Seller to Buyer may be credited against amounts owed by Buyer to Seller.

11.Buyer's Right to Enter Premises

Seller shall permit Buyer to enter Seller's premises during normal business hours to determine Seller's conformance to and performance under this Contract. This provision shall include but not be limited to the right to inspect and test all Products, tooling, and workmanship and to inspect and audit Seller's facilities and performance. The failure to audit, test or inspect by Buyer will neither relieve Seller of any liability for defects or Agreement noncompliance, nor create any liability on the part of Buyer.

12.Force Majeure

Neither Party shall be liable for any failure or delay in performance caused by or due to so-called acts of God, war, riot, terrorism, sabotage, accident or casualty ("Force Majeure"). If a Party's performance of this Contract is directly affected, delayed or prevented by an event of Force Majeure, it shall notify the other Parties of such event of Force Majeure as soon as reasonably possible and provide detailed information and relevant evidence within fifteen (15) days of the occurrence of such event. The Party claiming Force Majeure shall take appropriate measures to minimize or remove the effects of Force Majeure and, within the shortest possible reasonable time, attempt to resume performance of the obligation affected by the event of Force Majeure. Failure or delay due to labor strike or other form of work stoppage, delay of Seller's sub-Sellers or scarcity of materials or parts shall not excuse Seller's performance. Acceptance of any of the items shall not bind Buyer to accept future shipments, nor deprive it of the right to return items already accepted. If the affected Party is unable to perform all or any material part of this Contract for more than six (6) months after the written notice in respect of the occurrence of an event of Force Majeure is received by the other Parties from such Party, any of the other Parties may terminate this Contract.

13.Confidential or Proprietary Information

13.1 No knowledge or information disclosed to Buyer by Seller which in any way relates to Products, shall, unless otherwise specifically agreed in writing by Buyer, be deemed to be confidential or proprietary information, and Buyer shall acquire all such knowledge and information free from any restrictions (subject to Seller's patent rights), as part of the consideration for this Contract.

13.2 Any and all technical and other knowledge or information obtained or learned by Seller as a result of this buyer/Seller relationship and all technical and other information furnished by Buyer or jointly

developed by Buyer and Seller (collectively, "Confidential Information") shall remain Buyer's property and Seller shall maintain in confidence and safeguard all Confidential Information. Seller agrees to use any Confidential information only for conducting business with Buyer in a manner contemplated by this Contract.

13.3 Seller shall restrict disclosures of any Confidential Information to only those Seller employees who have a need to know and shall bind such employees to obligations of confidentiality consistent with this Contract. Upon completion or termination of this Contract or upon request of Buyer, Seller shall promptly return all materials incorporating any such Confidential Information and any copies thereof.

14.Publication

Without Buyer's prior written consent, Seller shall not advertise, promote or publish the fact that Buyer has contracted to purchase Products from Seller, disclose information relating to this Contract, or use the name of Buyer or any of Buyer's customers in advertising or any other publications.

15.Compliance with Laws

Seller shall comply fully with all applicable laws, regulations, ordinances, decrees, orders, and other legal requirements and, if requested, shall furnish evidence satisfactory to Buyer of such compliance.

16.Amendments

This Contract may be amended only by a writing executed by each of the Parties.

17.Expenses

All costs and expenses (including legal fees) incurred by a Party in connection with the preparation of this Contract and Exhibits shall be for the account of that party.

18.Assignment; Binding Effect

This Contract and the rights and obligations hereunder shall not be assignable or transferable by any Party without the prior written consent of each other Party. This Contract shall be binding upon and shall inure to the benefit of each of the Parties and their respective successors.

19.Waiver and Remedies

Any waiver by a Party to this Contract of any condition, part, term, or provision of this Contract shall not be binding unless in writing and shall not be construed as a waiver of any condition, part, term, or provision of this Contract, nor shall such waiver be construed as such a waiver of such condition, part, term or provision respecting any future event or circumstance. The remedies of any Party hereunder shall be cumulative, and any waiver or forbearance by a Party in seeking a remedy for any breach by another shall not be deemed to be a waiver of any other right or remedy.

20.Severability

Wherever possible, the terms of this Contract shall be construed and interpreted to be valid and enforceable under Applicable Law. If any provision of this Contract or any other agreement or

document contemplated hereby shall be determined to be invalid or unenforceable, such provision shall be invalid or unenforceable only to the minimum extent required, and the Parties shall promptly attempt in good faith to agree on a legally enforceable modification that gives effect to the commercial objectives of the invalid or unenforceable provision, and every other provision shall remain in full force and effect.

21. GOVERNING LAW AND DISPUTE RESOLUTION

21.1 This Contract shall be governed, interpreted and construed by, and in accordance with, the laws of Singapore. A person who is not a party to this Agreement has no rights under the Contract (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce any terms of this Agreement but this does not affect any right or remedy which exists or is available apart from that Act.

21.2 Each of the Parties shall in good faith attempt to resolve any dispute, controversy, or claim (a "Dispute") arising out of or in relation to this Contract by amicable negotiation.

21.3 Either Party may initiate dispute resolution by sending written notice of a Dispute (a "Dispute Notice") to the other Party. If such Dispute is not resolved to the mutual satisfaction of both Parties, either may at any time, but not less than thirty (30) days after the date of the Dispute Notice, refer such the Dispute (including any question regarding the existence, validity or termination of this Contract) to be finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("SIAC") for the time being in force, which rules are deemed to be incorporated by reference in this clause. If any provision of the Rules is in conflict with the provisions of this Contract, the provisions of this Contract shall prevail.

21.4 The arbitration proceedings shall be held in English before three (3) arbitrators. One (1) arbitrator shall be appointed by Seller and one (1) arbitrator shall be appointed by Buyer. The chairman of the arbitration tribunal shall be appointed by the chairman of SIAC.

21.5 The arbitral award shall be final and binding upon both Parties with no right of appeal and shall specify the allocation of costs of the arbitration.

21.6 The arbitration described above shall serve as the exclusive means for resolving a Dispute under this Contract; however, nothing in this Contract shall prohibit either Party from seeking interim protective measures before or during the arbitration proceeding in order to protect its interests or applying to a court of competent jurisdiction for the recognition and enforcement of an arbitral award. The provisions of Sections 21.3 to 21.6 shall not be binding for Disputes in the nature of cross-claims, impleaders, or any similar co-Party or third Party claims, by one Party against the other, resulting from and in connection with any action brought by any Person other than a Party to this Contract.

21.7 During the dispute resolution process described above, Buyer and Seller shall each continue to perform its obligations pursuant to this Contract.

22. LANGUAGE

This Contract, including the terms and conditions set forth herein, has been written in the English language. The Parties agree that the activities between them and notices hereunder shall be conducted in English.

23.CONDUCT OF BUSINESS:

Seller shall be responsible for maintaining satisfactory standards of employee conduct and integrity, and agrees to abide by Buyer's written policies contained in its Code of Conduct, a copy of which can be found at http://www.momentive.com/about_us.aspx?id=15083, in connection with its performance under this Agreement.