KRONOS (US), INC.
KRONOS CANADA, INC.
TERMS AND CONDITIONS OF SALE

1. **Terms; Acceptance; Other Documents** – These terms and conditions (this "Agreement") contains the terms and conditions that apply to all purchases of products ("Products") from Seller. Buyer agrees to be bound by and accepts these terms and conditions as a condition to the sale and delivery of Products by Seller. Buyer's acceptance of any Products for delivery from Seller constitutes Buyer's acceptance of these terms and conditions. These terms and conditions apply unless Seller and Buyer both have signed a separate formal written purchase agreement, in which case the separate agreement shall control to the extent that the terms contained therein are different from the terms contained in this Agreement. These terms and conditions may NOT be altered, supplemented, or amended by the use of any document other than an agreement that is signed by both Seller and Buyer (a "Supply Agreement," and any attempt to otherwise alter, supplement or amend this Agreement, or to enter an order for Product(s) which is subject to additional or altered terms and conditions, will be null and void. If any conflict arises between these terms and conditions and any term(s) set forth in a Supply Agreement with Buyer, then the terms of the Supply Agreement shall control.

2. **Separate Sale** – Each shipment of Products constitutes a separate sale or contract. If Buyer is in breach or defaults with respect to any of these terms and conditions, Seller may, at its option, suspend its performance until Seller is satisfied that Buyer's default has been remedied, or, without prejudice to any other legal remedy, Seller may decline further performance.

3. **Inspection** - Within thirty (30) days of Seller's delivery of Products to Buyer and prior to Buyer's use of Product(s), Buyer shall inspect the Product(s) and notify Seller in writing of any defect or non-conformity with the limited warranty set forth herein. Buyer's failure to give such notice shall constitute Buyer's acceptance of the Product(s) and waiver of any claims, rights or causes or action that may arise out of any such defect or non-conformity.

4. **Title/Risk of Loss** - All Product(s) shipped in the USA are sold CIP destination (INCOTERMS 2010). Products shipped in Canada are sold FOB. delivery point (INCOTERMS 2010). Seller's liability for Products ceases in accordance with the referenced shipping terms. Title to and risk of loss of all Product(s) shall pass to Buyer in accordance with the referenced shipping terms.

5. **Compliance with Laws** - Buyer is solely responsible for compliance with federal, state and local regulations governing shipment, unloading, discharge, storage, handling and use of Product(s).

6. **Modification of Terms** – Seller may modify these terms and conditions any time at Seller's sole discretion. Seller shall notify Buyer of such modification as promptly as practicable after such modification has been made and, in any case, shall promptly post the current version of these terms on its website at www.kronostio2.com. Any such modification shall be applicable to all Product(s) shipped on and after the effective date of the modification.

7. **Terms of Use** –Buyer represents and warrants to Seller that it is acquiring Products for end use only and not for resale. Any unauthorized resale of Products shall nullify and void all warranties and other rights and remedies set forth in this Agreement.

8. **Warranties** - Seller warrants that at the time of delivery to Buyer, the Product(s) shall conform in all material respects to the specifications for such Products published by Seller and

furnished to Buyer. Seller warrants that it will convey to Buyer good title to the Product(s) free from any lawful encumbrance. Seller further warrants that the use by Buyer of the Product(s) will infringe no rights under any valid United States patent, but Seller does not warrant against infringement resulting from the use of the Product(s) in combination with other material or in the operation of any process. If Product(s) are sold pursuant to Buyer's specifications, the foregoing warranty will not apply. If Product(s) are sold pursuant to Buyer's specifications, Buyer represents and warrants to Seller that Seller's manufacture or use of Product(s) will infringe no rights under any valid United States patent. EXCEPT FOR THE EXPRESS WARRANTY SET FORTH ABOVE, SELLER MAKES NO OTHER WARRANTY OF ANY KIND WITH REGARD TO THE PRODUCTS, WHETHER EXPRESS, ARISING BY OPERATION OF LAW, OR IMPLIED BY COURSE OF DEALING, USAGE OF TRADE OR OTHERWISE, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

9. **Limitation Of Liability; Exclusive Remedy** - Except as provided in these terms, Seller shall not be liable to Buyer or any third parties (including, but not limited to Buyer's or third parties' employees, agents, workers or independent contractors) for any damages, (including, but not limited to, compensatory, incidental, indirect, special, consequential or punitive damages), whether or not arising out of negligence or any other cause of action, related to the sale of Product(s) to Buyer, or Buyer's use of Product(s). Buyer assumes all risk and liability that may result from the shipment or use of Product(s), whether used singly or in combination with other Product(s). Seller's liability, and Buyer's exclusive remedy, for any claim or cause of action arising out of the sale of Product(s) to Buyer or Buyer's use of Product(s), including but not limited to negligence, non-conformity to specifications or breach of warranty, is limited, at Seller's option, to replacement of, or repayment of the purchase price for, Product(s) with respect to which damages or costs are claimed. Buyer shall indemnify and hold Seller harmless against any other liability to Buyer, Buyer's employees, workers, contractors or any other persons arising from Buyer's use of Products. No cause of action arising from Buyer's purchase or use of Products may be asserted against Seller more than one year after Buyer's purchase of such Products.

10. **Government Restriction** - If the sale of Product(s) or any provision of this Agreement is or becomes violative of any law, rule, order or regulation of any governmental authority in the judgment of Seller, Seller shall have the right, upon notice to Buyer, to cancel the sale of Product(s) or that term, without affecting the other terms. Without liability to Buyer for any reason, Seller represents that it complies in all material respects with the reporting requirements under the Toxic Substances Control Act.

11. **Force Majeure –** Seller shall not be liable for any delay in or impairment of performance resulting in whole or in part from any acts of God, severe weather conditions, labor disruptions, governmental decrees or controls, insurrections, war or terrorism risks, failure of performance of equipment, or shortage or inadequacy of raw materials, supplies or equipment, inability to procure or ship a Product or obtain any necessary government permits, licenses, supplies or raw materials, or any other circumstances or causes beyond the reasonable control of Seller in the conduct of its business.

12. **Allocation of Available Quantity** – In the event of any inability, for any reason, to supply the total demands for the Products specified in Buyer's order, Seller may allocate its available supply of Products among any or all purchasers on such basis as Seller, in its sole discretion, may deem fair and practical without liability for any failure of performance that may result therefrom.

13. **Buyer's Specifications -** If Product(s) are sold to Buyer according to Buyer's specifications or Buyer's labeling or packaging requirements, Buyer will be solely responsible and liable for complying with all Federal, State and local legal requirements pertinent to the Product(s) and

their labeling and packaging, and Buyer shall indemnify and hold Seller harmless against any liability that may arise out of Buyer's specifications, labeling or packaging requirements, or non-compliance with legal requirements.

14. **Governmental Charges -** Buyer shall reimburse Seller for all taxes, excises or other charges that Seller may be required to pay to any government (national, state, or municipal) upon the sale, production, or transportation of the Product(s).

15. **Demurrage/Detention -** Buyer will unload and return Seller's delivery equipment to carrier within the tariff or contracted period free of demurrage and/or detention charges. Demurrage and/or detention charges on such equipment shall be for Buyer's account and shall b e discharged promptly by Buyer. When Seller's cars are in the possession or under the control of Buyer, Buyer is responsible for cars and shall be liable to Seller for any and all damage, destruction or other loss attributable to Buyer and shall maintain insurance in an amount sufficient to protect against such damage, destruction or other loss.

Buyer shall unload and tender cars to the railroad in accordance with routing instructions given by Seller, within Seller's then allowable time for the Product(s) involved beginning on the first 7:00 a.m. local time following the time of placement ("actual" or "constructive" as defined in I.C.C. freight tariff 4-J). For each day cars are held in excess of this allowable detention time, Seller shall have the right to collect from Buyer as liquidated damages Seller's then applicable daily rate for each day, or part thereof, that car is held by Buyer in excess of this allowable detention time.

If any of Seller's cars arrive at destination in damaged condition, Buyer shall immediately notify railroad agent at destination of such damage, and also make immediate report thereof to Seller. All repairs to cars shall be made under the supervision or the direction of the Seller. When Product(s) are to be shipped by barges or vessels, an addendum will be prepared.

16. **Fair Labor Standards Act -** Seller warrants that its sale of Product(s) to Buyer will comply with the Fair Labor Standards Act of 1938, and any amendments thereto.

17. **Claims and Returns -** Notwithstanding anything to the contrary contained herein, all claims or shortages, discrepancies, or defects in the Product(s) shipped must be made within thirty (30) days of Seller's delivery of Products to Buyer. No Product(s) will be accepted for credit by Seller if shipment has been made in accordance with the Buyer's purchase order. NO PRODUCT(S) MAY BE RETURNED TO SELLER FOR ANY REASON WITHOUT BUYER FIRST RECEIVING A WRITTEN RETURN AUTHORIZATION FROM SELLER. Any return shipment, when authorized, will only be allowed in conformity with the return authorization. Transportation charges with respect to any returns must be prepaid by Buyer.

18. **Security Interest** – On all sales, Buyer hereby grants to Seller a first-priority lien, purchase money security interest and/or chattel mortgage in the Products (and in the case of a Distributor, in any accounts receivable or cash from resale thereof) until full payment is made by Buyer to Seller for Products purchased. Buyer hereby grants to Seller a power of attorney to file, on Seller's behalf, any financing statements or other appropriate document with all applicable governmental authorities to assure the validity, priority, and enforceability of Seller's lien, and Buyer further agrees to sign and deliver to Seller any and all documents requested by Buyer to effectuate the provisions of this paragraph.

19. **Assignment** – This Agreement shall inure to the benefit of and be binding upon Buyer and Seller and their respective successors and permitted assigns. Buyer shall not assign any order for a Product, or any interest therein, without the prior written consent of Seller. Any actual or

attempted assignment without Seller's prior written consent shall be void and shall entitle Seller to cancel such order without liability to Seller. The terms of this Agreement, including Product warranties and support, if any, are not assignable or transferable.

20. **Pricing; Payment Terms** - Pricing for Products shall be determined on the date of Product shipment. Buyer acknowledges and agrees that raw materials costs experienced by Seller are highly-volatile. Therefore, all prices, unless expressly otherwise agreed in a Supply Agreement, are subject to change as of the effective date of any announced price increase. Except as otherwise expressly set forth in writing, payment is due 30 days from date of invoice, to be received by Seller on or before the due date. Buyer agrees to pay interest on all past-due sums at the lesser of 18% per annum or the highest rate allowed by applicable law. Buyer further agrees to pay all collection and other costs incurred by Seller, including but not limited to, reasonable attorney's fees.

21. **Governing Law** – These terms and conditions and any sales hereunder shall be governed by the laws of the State of Delaware without regard to conflicts of laws principles thereof.

22. **Waiver** – No failure on the part of either party in exercising any right or remedy hereunder, or as provided in law or in equity, shall impair, prejudice, or constitute a waiver of any such right or remedy, or shall be construed as a waiver of any default or as acquiescence therein. No single or partial exercise of any such right of remedy shall preclude any other or further exercise thereof or the exercise of any other right or remedy. No acceptance of partial payment or performance of any obligation hereunder shall constitute a waiver of any default or a waiver or release of payment or performance in full of any such obligation.

23. **Headings** – Paragraph and/or section headings used in this Agreement are for convenient reference only and shall not affect the interpretation hereof.

24. **Severability** – If any provision of this Agreement is or becomes void or unenforceable, whether by operation of law or otherwise, the other provisions shall nevertheless remain valid and enforceable.

25. **Dispute Resolution** – Any dispute, controversy or claim arising out of or relating to this Agreement including any question regarding its existence, interpretation, validity, breach or termination or the business relationship created by it shall be determined by arbitration in accordance with the International Arbitration Rules of the American Arbitration Association. The arbitration shall be held in Dallas, Texas. The decision of the arbitrators shall be final, binding and enforceable upon the parties, and judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

26. **Entire Agreement** – This Agreement, together with the schedules, appendices and exhibits hereto which are hereby incorporated into this Agreement by reference, set forth the entire agreement between Buyer and Seller with respect to the purchase and sale of Products and supersedes any and all other prior agreements and understandings between the parties with respect to such matters.