

# TERMS AND CONDITIONS OF SALE





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1. **PARTIES.** "Seller" is identified in the "Remit To", "From", or similar section of the invoice, quotation, order or similar document issued by Seller to which these Terms and Conditions of Sale relate or are attached, or "Seller" is as otherwise defined in such document. "Buyer" is identified in the "Sold To" or similar section of the invoice, quotation, order or similar document issued by Seller to which these Terms and Conditions of Sale relate or are attached. "Product" is described and identified in the invoice, quotation, order or similar document issued by Seller to which these Terms and Conditions of Sale relate or are attached. All applicable invoices, orders, quotations and these Terms and Conditions of Sale are referred to collectively as this "Agreement".

2. **OFFER.** No terms in Buyer's bid, purchase order or other form shall be binding upon Seller. Seller rejects additional/different terms in such Buyer's documents. SELLER'S OFFER IS EXPRESSLY LIMITED TO AND CONDITIONED UPON BUYER'S ACCEPTANCE OF THIS AGREEMENT.

3. **PRICES; TAXES.** EXCEPT AS OTHERWISE SPECIFIED IN THIS AGREEMENT, PRICES ARE SUBJECT TO CHANGE WITHOUT NOTICE. AMOUNTS DUE WILL BE INVOICED, UNLESS OTHERWISE SPECIFIED IN THIS AGREEMENT, AT SELLER'S PRICE IN EFFECT ON THE SCHEDULED DATE OF SHIPMENT. Prices on the invoicing document are net of all applicable discounts and promotional allowances. References to "tons" mean short tons (2000 lbs.) unless otherwise specified. Any tax or other governmental charges now or hereafter levied upon production, severance, manufacture, delivery, storage, consumption, sale, use or shipment of the Product are not included in Seller's price and Buyer is solely responsible for all such taxes and charges.

4. **CANCELLATION.** Orders, deliveries and pick-ups may be canceled by Buyer only upon: (a) written or oral notice to Seller and accepted in writing by Seller, and (b) payment to Seller of reasonable cancellation charges to be solely determined by Seller.

5. **PAYMENT; CREDIT; PAST DUE ACCOUNTS.** Buyer will make payment to Seller at the time and in the currency specified on Seller's quotation or invoicing document. Seller may, in its sole judgment, require such other payment terms as Seller deems appropriate, including full or partial payment in advance of shipment or by letter of credit. Credit payment terms must

have the prior approval of Seller's Credit Department and must be specified in writing on Seller's invoicing document. Whenever reasonable grounds for insecurity arise with respect to due payment from Buyer or with respect to Buyer's financial condition generally, Seller reserves the right to stop shipment on notification to Buyer and to demand payment in advance or at the time of delivery or pick-up or require reasonable assurance of payment, and in the absence thereof, to cancel, without liability, further deliveries of the Product. A finance charge of the lesser of 1.5% per month (18% - APR) or the highest rate permitted by law will be assessed on all past due accounts. Interest charged on a past due invoice will be assessed from the date of the invoice. Amounts owed by Buyer for which there is no dispute will be paid without set-off for any amounts that Buyer may claim are owed by Seller. Buyer agrees to reimburse Seller for all attorney fees and court costs in connection with default of these payment terms by Buyer.

6. **DELAYS.** All orders, deliveries and pick-ups are subject to Seller's ability to make the Product available at the time and in the quantities specified, and Seller shall not be liable for damages for failure to make the Product available in whole or in part or at any specific time. Seller shall not be liable for delays or defaults in delivery or making the Product available for pick-up caused by forces or events not reasonably within Seller's control (such forces and events include, without limitation, delays or defaults by carriers; extreme cold weather; partial or total failure of Seller's intended production; transportation or delivery facilities; floods, fires, storms, or other acts of God; war, an act of public enemy, or civil disturbance; strikes; lock-outs; shortages of labor or raw materials and supplies (including fuel); acts or omissions of Buyer; action of any governmental authority; or any other force majeure event). Buyer shall be liable for any added expenses incurred by Seller because of Buyer's delay in furnishing requested information to Seller, delays resulting from changes requested by Buyer, or delay in unloading shipments at the delivery point that are the fault of Buyer.

7. **SHIPMENT COSTS/TRANSPORTATION MATTERS.** Unless otherwise specified on Seller's invoicing document, all transportation charges, including, without limitation, Seller's and carrier's charges for notification prior to delivery, demurrage, switching, detention, delay in unloading, diversion, or reconsignment shall be the sole responsibility of Buyer.

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## TERMS AND CONDITIONS OF SALE *continued*

Buyer will assume title and risk of loss concurrently in accordance with Seller's invoicing document. ON PASSAGE OF TITLE, BUYER IS THEN RESPONSIBLE FOR PROPER PROTECTION OF THE PRODUCT AND COMPLIANCE WITH ALL LAWS, RULES AND REGULATIONS APPLICABLE TO THE STORAGE, USE, AND HANDLING OF THE PRODUCT AND WILL INDEMNIFY SELLER AGAINST ALL CLAIMS FOR PERSONAL INJURIES OR PROPERTY DAMAGE ARISING FROM THE STORAGE, USE OR HANDLING OF THE PRODUCT. Claims for damage or shortage in transit must be made by Buyer against the carrier. Buyer has the responsibility to inspect shipments before or during unloading to identify any such damage or shortage and see that appropriate notation is made on the delivery tickets or an inspection report furnished by the local agent of the carrier in order to support a claim. If railcars are used to deliver the Products, upon transfer of the Product's risk of loss to Buyer, Buyer is solely responsible for the care, condition, damage or loss of railcars until the railcars are released empty by Buyer to the rail carrier. Without Seller's prior written approval, neither Buyer nor any of its employees or agents will divert or export any such railcar to anywhere outside the continental U.S. Even with such approval, Buyer remains fully responsible for and shall promptly reimburse Seller for all claims, losses, costs, expenses, liabilities, penalties, demands and taxes directly caused by or incidental to such use of the railcars by Buyer.

8. **WARRANTY/TIME FOR MAKING CLAIMS.** Seller warrants only that it will convey good title to the Product Buyer receives and that, at the time of shipment, the Product will conform to the published specifications of Seller. Seller's specifications are subject to change at any time without notice to Buyer. NO OTHER WARRANTY OF ANY KIND, EXPRESSED OR IMPLIED, IS MADE BY SELLER AND SELLER HEREBY DISCLAIMS ALL SUCH OTHER WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT. Buyer must notify Seller of any claim with respect to the Product, the warranty, or any other claim under this Agreement within thirty (30) days of receipt of the Product or such claim is waived. In the event of an alleged breach hereof by Seller, the sole remedy available to Buyer on account of any defect in the Product shall be limited to the replacement of such defective Product by Seller. In the event the remedy provided herein shall be deemed to have failed its essential purpose, then Buyer shall be entitled only to a refund of the amounts paid to Seller attributable to such defective

Product that Buyer receives. Subject to the notification of claim provision above, no action for breach of the contract for sale or otherwise with respect to the Product will be commenced more than one (1) year after such cause of action accrues.

9. **LIMITATION OF LIABILITY.** TO THE FULLEST EXTENT PERMITTED BY LAW, SELLER'S LIABILITY FOR ANY CLAIM ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT WILL BE LIMITED TO THE NET PURCHASE PRICE ACTUALLY PAID TO SELLER ATTRIBUTABLE TO THE PRODUCT INVOLVED. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES FOR ANY CLAIM, EVEN IF SUCH CLAIM IS THE RESULT OF SELLER'S OWN NEGLIGENCE. Buyer assumes all risks and liability for any damage, loss, or penalty resulting from the use of the Product delivered hereunder in manufacturing processes of Buyer or in combination with other substances or otherwise.

10. **INDEMNIFICATION.** TO THE FULLEST EXTENT PERMITTED BY LAW, BUYER SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND SELLER AND ITS AFFILIATES AND THEIR RESPECTIVE PRESENT OR FUTURE EMPLOYEES, OFFICERS, DIRECTORS, SHAREHOLDERS, INSURERS, AGENTS AND REPRESENTATIVES (COLLECTIVELY, "INDEMNIFIED PARTIES"), FROM ALL CLAIMS, LIABILITIES, DAMAGES, DEATH (INCLUDING, WITHOUT LIMITATION, DEATH OF SELLER'S EMPLOYEES), SUITS, PROCEEDINGS, COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES), FINES, AND PENALTIES (COLLECTIVELY, "LOSSES"), IN CONNECTION WITH THIS AGREEMENT REGARDLESS OF CAUSE ("BUYER'S INDEMNIFICATION OBLIGATION"). TO THE FULLEST EXTENT PERMISSIBLE BY LAW, BUYER'S INDEMNIFICATION OBLIGATION APPLIES EVEN IF LOSSES ARE THE RESULT OR ALLEGED RESULT OF THE NEGLIGENCE, ACTIVE OR OTHERWISE, OF THE INDEMNIFIED PARTIES.

11. **SECURITY INTEREST.** Buyer grants to Seller, and Seller retains, a security interest in the Product and the proceeds thereof, until the purchase price therefor is fully paid. Seller may file any financing statements and give notice of such security interest to third parties as Seller may determine to be necessary to perfect such security interest.

12. **VALID CONTRACT.** Buyer warrants and represents that (a) this Agreement is a valid and enforceable contract, (b)

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## TERMS AND CONDITIONS OF SALE *continued*

proper authorization has been obtained for Buyer to enter into this Agreement, and (c) each individual executing this Agreement on behalf of Buyer is properly authorized to bind Buyer to the terms of this Agreement. Buyer agrees that Seller negotiated and dealt with Buyer in good faith in entering into this Agreement, and that the Product price determined by this Agreement is fair and reasonable. Payment for Products received through the notice date will not limit, in any respect, Seller's ability to recover additional amounts from Buyer for damages incurred as a result of Buyer's breach of this Agreement or the warranties and representations made by Buyer in this Agreement.

13. **PROCUREMENT AND BIDDING.** Buyer warrants and represents that Buyer has fully complied with all procurement and bidding laws, rules, regulations and procedures, if applicable. In the event Buyer claims that this Agreement, the underlying transaction or any provision thereof is invalid or void due to Buyer's failure to comply with any applicable requirements under state or local laws related to procurement or bidding, or in the event Buyer fails to obtain any authorization required to enter into this Agreement, Buyer agrees that it will timely submit payment, at the price stated in this Agreement, for all Products received through and including the date that it provides written notice to Seller of such failure. In the event that Buyer provides written notice to Seller of failure to comply with applicable laws related to procurement or bidding, or in the event Buyer fails to obtain any authorization required to enter into this Agreement, the parties agree that Seller will immediately cease performing under this Agreement and will provide Buyer with no further Products unless and until both parties agree in a writing separate from this Agreement.

14. **EXPORT CONTROLS AND REGULATION:** With regard to any Product that is of U.S. origin, Buyer acknowledges that export or reexport of any product provided by Seller is subject to U.S. export regulations. Buyer represents and warrants that it is not on, or associated with any organization on the U.S. Department of Commerce's Bureau of Industry and Security's Denied Persons List or Unverified List; or any prohibited party list maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of Commerce, or the U.S. Department of State. Buyer shall not export or reexport any Compass Minerals products to any prohibited party or to any restricted country.

15. **LEGAL COMPLIANCE.** Buyer and its employees, representatives, and agents will: (a) comply with all applicable federal, state, provincial, local and foreign laws and regulations of any governments, governmental bodies or regulatory agencies including, without limitation, export control laws, the U.S. Foreign Corrupt Practices Act and the U.S. Patriot Act, as amended from time to time (collectively, the "Laws"); (b) will not subject Seller to any claim, penalty or loss of benefits under the Laws; and (c) will cooperate with Seller in any audit or inspection relating to the Laws. Upon Seller's request, Buyer will deliver a certificate to Seller in a form provided by Seller, certifying such matters as requested by Seller, as required by the Laws, or pertaining to Buyer's intended use of the Product as represented to Seller.

16. **MISCELLANEOUS.** Matters arising out of or in connection with this Agreement or a sale contemplated in connection with this Agreement will be governed by the laws of the state of Kansas, USA without regard to conflicts of law rules, and Buyer and Seller consent to the jurisdiction of Johnson County, Kansas courts. The United Nations Convention on the International Sale of Goods shall not apply to the transactions under this Agreement. The parties have expressly required that this Agreement and all documents and notices relating hereto be drafted in English. Buyer shall not assign this Agreement without Seller's prior written consent. This Agreement constitutes the entire agreement regarding the subject matter hereof; no modification may be made, unless in writing and signed by the parties; and no acknowledgment or acceptance of Buyer's purchase order or other forms containing different, additional, or conflicting terms shall have force or effect. Seller's failure to enforce any provision of this Agreement will not be a waiver of its right to enforce such provision or any other provision then or thereafter. Any provision intended to survive including, without limitation, Sections 7 through 15 (inclusive), shall survive this Agreement's termination or expiration and the consummation of the transactions contemplated hereunder. In the event any provision or part of this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, only that particular provision or part so found, and not the entire Agreement, will be inoperative.