

INNOPHOS INC. TERMS AND CONDITIONS OF PURCHASE

- 1. No Modifications.** The terms and conditions contained in this purchase order may not be added to, modified, superseded or otherwise altered except by a written instrument signed by an authorized representative of Buyer and delivered to Seller. Each shipment received by Buyer from Seller shall be deemed to be only upon the terms and conditions contained herein, notwithstanding any different or additional terms and conditions that may be contained in any quotation, offer, acknowledgment, invoice or other document of Seller and notwithstanding Buyer's acceptance of or payment for such shipment. The terms and conditions of this purchase order shall supersede and control over any terms and conditions in Seller's documents, including Seller's quotation or offer. However, if the Buyer and Seller have executed a Contract applicable to the Goods or Services provided hereunder, the terms and conditions of this purchase order shall supplement the terms and conditions of the Contract. If there is a conflict between the terms and conditions of the Contract and the terms and conditions of this purchase order, the terms and conditions of the Contract shall supersede and control the terms and conditions of this purchase order.
- 2. Buyer's Acceptance.** Goods purchased or services provided hereunder are subject to inspection and approval at Buyer's destination. Buyer reserves the right to reject and refuse acceptance of goods or services not in conformance with any instructions, specifications, drawings and data or Seller's warranties (express or implied). Payment for any goods or services shall not be deemed acceptance thereof and is without prejudice to any and all claims Buyer may have against Seller.
- 3. Seller's Acceptance.** Seller's shipment of any goods or performance of any services covered by this purchase order, or Seller's receipt of payment by Buyer for such goods or services, shall constitute Seller's acceptance of this purchase order and the terms and conditions herein as fully as if Seller had accepted them in writing.
- 4. Access by Buyer.** Buyer shall have access to Seller's and Seller's suppliers' facilities at any time during normal business hours in order to inspect and determine the progress of the work and/or to expedite the work.
- 5. Warranty.** Seller warrants that all goods delivered hereunder shall be of new and first quality material, good workmanship and free from defects; shall conform to specifications, drawings, samples or other descriptions furnished by Buyer to Seller; and shall be fit for the purposes for which they are purchased when the purpose has been made known to Seller. Seller further warrants that services furnished hereunder shall conform to Buyer's specifications and shall be performed in a skilled and workmanlike manner. Goods or services found to be defective in material or workmanship or which do not conform with specifications within eighteen (18) months from the date of shipment (or performance) or twelve months (12) from the date same are put into service, whichever date occurs first, shall, at Buyer's option, be corrected or repaired in place by Seller, or be replaced at Buyer's facilities by Seller, or be returned to Seller at Seller's expense (including transportation and handling costs) for full refund. In the event such Goods are chemical raw materials and fail to conform to specifications, samples, or are unfit for the purpose for which they were purchased when the purpose was made known to Seller, within sixty (60) days from the date of delivery, at Buyer's option, Seller shall replace such Goods with conforming Goods at Seller's expense (including transportation and handling costs); or such Goods shall be returned to Seller at Seller's expense (including transportation and handling costs) for full refund. This warranty shall survive any inspection, delivery or acceptance of goods or services, or the payment for same by Buyer.
- 6. Product Indemnification.** Seller will indemnify, defend and hold harmless Buyer, its directors, officers, employees, agents, successors, assigns, customers and users of its Goods and Services from and against any and all losses, expenses, damages, claims, suits and liabilities (including incidental and consequential damages; court costs and attorney's fees) arising as a result of actual or alleged breach of any warranties or other terms contained herein or arising under any strict tort or negligence claims premised on either an actual or alleged defect in the Goods or improper performance of Services. At Buyer's request, Seller will assume promptly full responsibility for the defense of any action described in this paragraph which may be brought or threatened by a third party against Seller and/or Buyer.
- 7. Meet or Release.** If at any time during the term of this purchase order Buyer can purchase Goods or procure Services of like quality and quantity at a price which will result in a total delivered cost to Buyer that is lower than the total delivered cost of the Goods purchased or Services procured hereunder, Buyer may notify Seller of such total delivered cost and Seller shall have an opportunity of pricing Goods or Services hereunder on such a basis as to result in the same or lower total delivered cost to Buyer. If Seller fails to do so or cannot legally do so, Buyer may purchase such Goods or procure such Services at the lower total cost and any purchases so made shall be held to apply to this purchase order, and the obligation of Buyer and Seller shall be reduced accordingly.
- 8. Taxes.** Seller's prices will be exclusive of any federal, state or local sales, use or excise taxes levied upon or measured by the sale, the sales price, or use of the Goods or Services. Seller will list separately on its invoice any such tax lawfully applicable to the Goods or Services and payable by Buyer with respect to which Buyer does not furnish to Seller lawful evidence of exemption.
- 9. Set Off.** All claims for money due or to become due from Buyer will be subject to deduction or set off by Buyer for any counterclaim arising from this or any other transaction with Seller.
- 10. Intellectual Property.** Seller shall indemnify, hold harmless and defend Buyer from and against any and all liabilities, damages, claims or suits based upon actual or alleged infringement of any patent, copyright, trademark, license or similar right resulting from the furnishing of goods or services hereunder (except where any claimed infringement is due to Buyer's design). In the event goods or services are held to be infringing, Seller shall, at its own expense and at Buyer's option, either procure for Buyer the right to continue using said goods or services or replace or modify them so that they become non-infringing, or refund in full the purchase price paid therefor by Buyer, provided that any replacement or modification shall be of equivalent quality and shall not affect the performance attained prior thereto by the goods or the plant in which the goods are utilized or installed or on which the services have been performed.
- 11. Title to Drawings and Specifications.** Buyer shall at all times have title to all drawings, specifications and other documents supplied or prepared by Buyer and/or by Seller in connection with the furnishing of goods or services hereunder and Seller shall hold in confidence and use the same only to the extent necessary for execution of this purchase order and shall, upon Buyer's request, promptly

turn over to Buyer all copies of same. Seller shall not release for publication any information concerning this purchase order, its existence, or the project for which it is given, except with Buyer's prior written consent.

12. Federal Government Contracts. Seller warrants that the goods sold and/or services furnished under this purchase order have been produced or furnished in full and complete compliance with all applicable laws and regulations, including, but not limited to, the Fair Labor Standards Act; Public Law 95-507 (Small Business and Small Disadvantaged Business Subcontracting); Executive Order 11246 (Equal Employment Opportunity); Executive Order 11701 (Listing of Job Openings); Executive Order 11758 (Employment of the Handicapped); Public Law 93-508 (Vietnam Era Veterans Assistance Act); Public Law 93-112 (Rehabilitation Act of 1973); Public Law 90-202 amended 93-259 (Age Discrimination Employment Act); Executive Order 1625, and all rules and regulations promulgated thereunder, as amended, modified or superseded, and, unless otherwise exempt under the rules, regulations and orders of the Secretary of Labor or pursuant to Federal Procurement Regulations (FPR 1-12.804) or the Armed Services Procurement Regulations (ASPR 12-802), the Equal Employment Opportunity clause as set forth in FPR 1-12.803-2 and ASPR 12-802(a). All applicable statutes, laws and regulations shall be incorporated herein by reference and shall be binding upon Seller. Seller will indemnify, hold harmless and defend Buyer from and against all liabilities, damages, expenses, fines, penalties or losses resulting from Seller's failure to so comply with the foregoing.

13. Compliance with Laws. Seller warrants that the goods sold hereunder will comply with all applicable federal, state and municipal laws and regulations (including, but not limited to, the Occupational Safety and Health Act, and all rules and regulations thereunder, all applicable environmental laws and regulations, and any disclosure requirements related to hazardous or other such materials) relating to the manufacture, sale, delivery and/or transportation (including labeling and packaging requirements). Seller will provide Buyer with all information which will reasonably assist Buyer in the safe handling and use of all goods sold hereunder and in complying with any reporting requirements. Seller will indemnify, hold harmless and defend Buyer from and against any liabilities, claims, fines, penalties, costs and expenses arising out of goods delivered by Seller which are not in compliance with these requirements.

14. Termination. Buyer has the right to terminate this purchase order in whole or in part at any time and for any reason by written notice to Seller. In such event, Seller may claim only properly supported out-of-pocket costs plus a reasonable amount of demonstrable related charges for the work already performed, all determined in accordance with generally accepted accounting principles. Notwithstanding the foregoing, if Seller breaches any of the terms and conditions herein, in addition to Buyer's other rights and remedies under the law, Buyer reserves the right to terminate this order and cancel all or any part of the undelivered portion of this order without any liability whatsoever.

15. Entire Contract. This purchase order constitutes the entire contract between Buyer and Seller concerning the goods and/or services described herein. No amendment, supplement, addition or modification to this contract shall be effective or binding unless made in writing and signed by an authorized representative of Buyer. This purchase order and the obligations of Seller hereunder shall not be assigned, delegated, or transferred, by operation of law or otherwise, without the prior written consent of Buyer.

16. Governing Law. This purchase order and any disputes hereunder shall be governed, interpreted and construed in accordance with the laws of the State of New York, without regard to conflicts-of-laws rules or principles. The parties hereby stipulate irrevocably that they hereby submit to the personal jurisdiction of the courts of the aforementioned state and for such purposes hereby waive all challenges to the personal jurisdiction of such courts. The United Nations Convention on Contracts for the International Sale of Goods will not, for any purpose, govern or apply to this purchase order or any transactions, performance or disputes hereunder.

17. Time of the Essence. Time is of the essence in this purchase order. Failure by Seller to complete delivery of the goods or services ordered within the time specified, or within a reasonable time if no time is specified, shall at the option of Buyer, without liability, and in addition to Buyer's other rights or remedies, relieve Buyer of any obligation to accept and pay for such goods.

18. Force Majeure. Any delay or failure of either Buyer or Seller to perform its obligations hereunder shall be excused to the extent that it is caused by any event or occurrence beyond the reasonable control of the party and without its fault or negligence, for example: acts of God, actions by any governmental authority, fires, floods, windstorms, explosions, riots, natural disasters, wars or court injunction or order. During the period of such delay or failure to perform by Seller, Seller shall provide Buyer with prompt written notice of such delay (including a description of the cause of the event or circumstance, an estimate of the duration of the delay and a statement regarding the remedial steps that are being undertaken to resume performance and Seller's interim allocation plans, if any, for the supply of Goods or performance of Services during the delay). During such period, Buyer, at its option, may purchase goods or such services from other sources in the quantities and at the delivery times requested by Buyer and at the price set forth in this purchase order. If the delay lasts more than thirty (30) days or Seller does not provide adequate assurance that the delay will cease within thirty (30) days, Buyer may immediately cancel this purchase order without liability.

19. Remedies. The rights and remedies provided Buyer herein will be cumulative and in addition to any other remedies provided by law or equity. Buyer's waiver of a breach of any provision hereof will not constitute a waiver of any other breach.

20. Severability. Any provision of this purchase order which is finally determined to be unlawful will be deemed severed from this purchase order and every other lawful provision of this purchase order will remain in full force and effect.

21. Enforceability of Signature. It is the Buyer's intention that its logo [symbol] shall constitute the signing and authentication of this purchase order by Buyer. The Uniform Commercial Code adopted by the State of New York, Section 1-201 (39) deems any logo [symbol] executed by a party to authenticate a writing as "signed"; and the Electronic Signatures and Records Act, N.Y. Tech. Section 101 et. seq. (McKinney 1993) adopted by the State of New York validates electronic signatures.