Letter of Understanding
between
Poly Processing Company and its Lined Steel Tank Customer

1. This letter is written to communicate, confirm, and record the understanding between Poly Processing Company, LLC (PPC) and_____________________________(Customer) regarding lined steel tanks. This letter of understanding must be in place prior to PPC accepting and processing orders for lined steel tanks.

Description of overall process: Using rotational molding, PPC will mold a polyethylene lining into Customer owned steel tank or tanks. In most but not all cases, the Customer will then use the lined steel tank as a component in a more extensive piece of equipment. The steel tank will be supplied by Customer and will remain the property of the Customer during the lining process. The polyethylene lining material will be supplied by and processed by PPC.

2. Customer responsibilities for lined steel tanks include but are not limited to

   • Fitness of steel tank design, composition, and construction for its intended use and likely abuse
   • Compliance of steel tank design to any legal, regulatory, safety, or industry requirements for its intended use
   • Inclusion of design features in the steel tank needed for successful rotational molding of the lining per PPC “Specifications for Steel Tank Lining Using MRSP010”.
   • Provision of tank to PPC, Monroe, Louisiana, USA, with interior and openings “white blasted” and all openings sealed per PPC “Specifications for Steel Tank Lining Using MRSP010”.

3. Poly Processing responsibilities for lined steel tanks include but are not limited to

   • Immediate receiving inspection to confirm steel tank is suitable for molding of lining
   • Design and application of mounting for steel tank for rotational molding process
   • Design and application of rotational molding tooling for the steel tank openings and flanges
   • Rotational molding of tank lining
   • Performing post molding finish work of tank lining at openings and flange faces

4. Polyethylene lining specifications are per PPC “Specifications for Steel Tank Lining Using MRSP010”.
5. All production scheduling for lining steel tanks originates with receipt of properly prepared steel tanks at PPC facility and is subject to existing production backlog. Production scheduling does not originate with receipt of Customer purchase order. PPC will make every effort to meet production schedule provided by Customer. However, delays will occur should a lining fail to mold properly or a steel tank is damaged during the molding process. Customer will not hold PPC responsible for any loss due to delays.

If a lining fails to mold properly during the rotational molding process, PPC assumes responsibility for removal of the unacceptable lining and normally will make a second attempt to mold a lining. However, PPC reserves the right not to make any subsequent attempts at molding the lining should the initial attempt be unsuccessful.

At no time and under no circumstances does PPC assume responsibility for repair or replacement of the steel tank or associated metalwork.

6. PPC pricing for steel tank lining will be provided as a formal quotation separate from this letter of understanding.

7. Customer acceptance of PPC’s quote for steel tank lining will be by formal purchase order to PPC.

8. Payment terms

- Domestic accounts: Payment due within 30 days of invoice with approved credit
- International accounts: Payment due prior to shipment of completed tank(s)

9. The relationship between PPC and Customer is neither a joint venture nor a partnership. PPC and Customer shall remain as Seller and Buyer or as independent contractors.

10. Fitness of all product design, composition and specification for its intended use is solely the responsibility of the Customer.

11. PPC Warranty for steel tank linings

*PPC warrants its polyethylene lining for steel tanks against defects in material and workmanship for a period of One (1) Year.*

The purpose of this warranty is to ensure useful service from the polyethylene lining. In the event a lining fails before the expiration of the warranty period, PPC will, at its option, repair or replace the lining one time at no charge or refund the original cost to the Customer. Any steel tank requiring lining replacement must be provided freight pre-paid to PPC, Monroe, Louisiana, USA, with the old lining removed and the interior of the tank sandblasted to a “white blast” finish.
This warranty period commences to run on date of shipment from PPC’s customer (normally an original equipment manufacturer) to the owner/user. In the event of a warranty claim, PPC’s customer will provide PPC the date of shipment. Should PPC’s customer be the steel tank owner/user and not an original equipment manufacturer, the warranty will begin on the date of shipment from PPC’s facility.

Limitations of Liability

Under its warranty, PPC’s liability is limited to repair or replacement of the polyethylene lining or refunding the original cost of the lining. In order to determine if the lining is defective, PPC shall have the right to conduct an investigation into the matter, including an inspection of the lining or portions of the lining and the steel tank before, during, and after the lining is removed from the steel tank. As a condition to the warranty, PPC’s customer or the owner/user are required to first provide a cleaned portion of the lining and/or photographs for evaluation. PPC is not responsible for the disposal of any lining material.

This warranty is void if any of the following occurs:

- Polyethylene lining has been used in chemical service other than its originally declared purpose.
- Polyethylene lining has been subjected to temperatures in excess of 170F.
- Polyethylene lining has been altered or repaired by unauthorized personnel.
- Polyethylene lining has been subjected to misuse, negligence, fire, accident, act of war, or act of God.
- Notification of the defect in the polyethylene lining has not been made in writing to PPC within the warranty period.
- Invoice for polyethylene lining has not been paid.
- The customer or owner/user refuses to provide PPC proof of date of shipment to the owner/user, refuses to allow PPC to conduct an investigation into the matter, refuses to allow a timely inspection of the lining or lining material and steel tank, or fails to provide a cleaned portion of the lining and/or photographs, all as outlined above.

With acceptance of this warranty for the polyethylene lining, customer waives any claim against PPC for incidental or consequential damages arising from lining failure including but not limited to, damage to the steel tank, damages for lost profits and/or lost sales, damage caused by leaking products, or injury or death to persons or damage to property. PPC’s liability is limited to repair or replacement of the polyethylene lining or refund of the original cost of the lining during the warranty period.

The limited warranty described herein is PPC’s sole warranty and the complete, final and exclusive statement of the terms of the warranty. Neither PPC’s customer nor the owner/user may rely on any earlier or subsequent oral statement(s) or representation(s). This warranty is neither assignable nor transferable.
12. This Letter of Understanding is agreed to by PPC and its Customer as evidenced by the signatures below. This Letter of Understanding becomes effective on the last date shown below and applies to any and all steel tanks lined by PPC for Customer. This Letter of Understanding remains in effect from acceptance date forward unless replaced by a revised letter of understanding.

**For Poly Processing Company**

_____________________________________
Customer Support Representative Signature

_____________________________________
Customer Support Manager Signature

_____________________________________
Date of acceptance

**For Customer**

_____________________________________
Customer Signature

_____________________________________
Print Name and Title

_____________________________________
Date of acceptance