

**GENERAL TERMS OF PURCHASE**  
of Globe Chemicals GmbH  
valid for contracts with merchants  
effective May 1<sup>st</sup>, 2005

1. General

1.1

The terms of purchase set out below are valid for all - also future - purchases and orders of Globe Chemicals GmbH (Buyer). With the exception of clauses regarding a retention of title any and all business conditions of the Seller are expressly rejected. They will not become part of the contract even if the Buyer does not again contradict after receipt of a sales confirmation, invoice or of a partial delivery.

1.2

In so far as the terms set out below do not contain a special stipulation the interpretation of the various contract clauses shall be determined in accordance with the INCOTERMS in their respective prevailing version.

1.3

Supplementary agreements, statements of avoidance, withdrawals and notices of termination and fixations of a period of time are not valid unless made in writing including signature and service of the document as original or by telefax.

2.

Offers, Closings, Quantities, Qualities and Prices

2.1

All offers and commitments made by the Buyer's employees are made without obligation and are not binding. Employees who are not registered in the commercial register are neither entitled to conclude contracts nor to receive legal declarations of any kind nor are they entitled to verbal amendments or supplements to a contract. Contracts and declarations, regardless of their nature and addressee, as well as amendments to a contract will not become binding for the Buyer until the Buyer has confirmed the conclusion of the contract in writing or by telefax / e-mail. This requirement may only be waived in writing.

2.2

Unless otherwise agreed the prices accepted by the Buyer are net prices excluding value added tax including packing free Buyer's branch office or a named destination and including all additional costs.

### 2.3

Contractual quantities, weights and other specifications regarding the quality of the goods must be complied with unless agreements in respect of tolerances or „about,- figures have been agreed. The question whether the Buyer has to accept discrepancies as customary in the trade has to be settled exclusively in accordance with the trade practice in the Federal Republic of Germany.

## 3.

### Samples and Specimen

#### 3.1

If the Seller hands over respectively sends samples to the Buyer and the Buyer places orders based on these samples the characteristics of the samples shall be considered as warranted characteristics of the goods. This applies accordingly to samples submitted by the Buyer which have been acknowledged by the Seller to the standard for the order.

#### 3.2

In cases of a sales as per sample the silence of the Buyer can not be considered as approval, if the sold merchandise has been handed over for inspection or test.

## 4.

### Delivery, Payment, Place of Delivery and of Payment / Delivery Hindrances

#### 4.1.

Place of fulfilment for the payment is the settlement of the Buyer. This shall apply also if documents shall be presented at another place. If it is agreed that the merchandise shall be delivered directly by the Seller or his forwarder at a destined place of delivery including delivery to the final customer of the Buyer, such place of delivery shall be considered as the place of fulfilment for the delivery.

#### 4.2

The risk of transport for the purchased goods is borne by the Seller until delivery has been effected to the agreed place of destination.

#### 4.3

If the Seller is unable to fulfil his contractual obligations, especially if he is unable to deliver the goods within the agreed time period or free from defects, he has to inform the Buyer without any delay indicating the expected date of delivery. In this case the

Buyer is entitled to his legal rights unless an exceeding of the agreed time limit or a notified deviation from the contractual agreements is irrelevant and/or immaterial.

#### 4.4

If a purchase contract is not to be performed by the Seller immediately after its conclusion and if after conclusion of the contract the Buyer becomes aware of circumstances which give legitimate cause for concern that owing to his economic situation or for other reasons the Seller will be unable to meet his contractual obligations, the Buyer is entitled to demand an adequate security and to set an adequate period of time therefore. If the security is not being provided until the end of the time period, the Buyer is entitled to withdraw from the contract and to claim damages. He may refuse payments of amounts due until the delivery has been effected.

#### 4.5

In case of an in part defective delivery the Buyer is entitled to exercise his legal rights with regard to the defective part.

### 5.

#### Packing/Marking, Patent Protection, Adherence to Legal Provisions

##### 5.1.

The Seller is obliged to comply with the Buyer's and the carriers instructions regarding loading, shipment and marking.

##### 5.3

The seller undertakes responsibility that no rights of third parties are violated in connection with his delivery. The Seller is obliged to draw the Buyer's attention to possible third parties' patent protection or industrial property rights of all kinds on the goods offered and to be delivered.

##### 5.4

If the goods offered and to be delivered are dangerous goods the Seller must expressly draw the Buyer's attention to this fact before conclusion of the contract and indicate the relative code numbers. The Seller is furthermore liable for the adherence to all legal provisions and decrees regarding the merchandise to be delivered including the provisions in respect of packing as well as the observance of dangerous goods legislation and regulations by the persons employed (independent persons included) by him for the performance of his obligations, especially also by carriers and forwarding agents.

##### 5.5

The Buyer is entitled to an indemnification for all damages resulting from a violation of the duties assumed by the Seller in accordance with Nos. 5.1 to 5.4, especially from the use, sale or processing of the merchandise delivered.

6.

Period for inspection and notice of non-conformity, limitation of action

6.1

The Buyer is only obliged to perform a commercial and sensorial examination of the delivered goods after their arrival at the final place of destination. He has to charge an expert only if there are concrete indications for a lack of conformity. Place of destination is the place, where for the first time after arrival of the goods the Buyer has or could have had the opportunity to inspect the goods. If the goods are delivered by container, the place of destination is the place which the final recipient has determined for unloading the container.

6.2

The Buyer is allowed to notify the Seller of possible defects, false delivery and/or quantity deviations, inasmuch as upon a commercial and sensorial examination an ascertainment is possible, within 5 working days, when an international sale is concluded within two weeks, after delivery of the goods at the place of destination. If the non conformity can only be ascertained by an expert or the non conformity is hidden else the Buyer may lodge a legally effective complaint within 5 days after he has received the results of the analysis or otherwise discovered the non conformity.

6.3

If a complaint lodged properly does not reach the recipient, the complaint shall be deemed having been made in time if within a month following the first complaint the Buyer reminds the Seller to settle it or if he repeats his complaint.

6.4

If in case of shortages of quantities the Buyer fails to observe the time limit for notices of non-conformity this only results in a loss of his rights to subsequent delivery or cancellation or damages. In such case the Buyer does not have to pay for proved shortages of delivery.

6.5

The Buyer is entitled to procure for a replacement delivery or to remedy a defect at sellers cost without giving a period of time in case of imminent danger or of special urgency.

6.6

The period of prescription for all claims of the Buyer regarding a lack of conformity of the goods does not end before 36 months from the day of the passing of the risk to the Buyer.

7.

Claims and settlement in case of breach of contract by the Seller

7.1

If the Seller fails to fulfil one of his duties under this contract, including the duty to deliver the goods free of defects, the Buyer is entitled to claim damages.

7.2

In so far as the Buyer has not lost his right to rely on a lack of conformity and the goods shall not be considered as approved, he shall be entitled to return to the Seller defective merchandise from the place of destination, or from any other place where it is located, when the defect is discovered. Any and all costs, connected with the re-transport shall be borne by the seller up to the amount of the costs of the re-transport from the agreed place of fulfilment to the Seller.

7.3

If on account of legal provisions the Buyer is liable to his customer for damages because of any non conformities of the goods the Seller is obliged to defray any and all damages of the Buyer and to reimburse him for damages paid by him, even if according to the laws applicable to this contract there would be no claim. The same applies if and when under national product liability provisions the Buyer is liable to his customer or to third parties. The above stipulations are not applicable if the Buyer has assumed contractual warranties or similar commitments exceeding the commitments of the Seller.

7.4

Merchandise paid by the Buyer, returned to the Seller because of a breach of contract or a defect remains property of the Buyer until complete settlement of his payment claims resulting from the winding up of the contract. The Seller is not entitled to pledge or assign the paid merchandise by way of collateral .

8.

Prohibition of assignment

The assignment of claims against the buyer out of or in connection with this contract is not valid unless the Buyer has agreed in writing or unless the claims are assigned to the Seller's bankers.

9.

Jurisdiction and applicable law

All disputes out of or in connection with this contract, also inasmuch as they refer to its validity, cancellation or termination, shall be decided by the courts of general jurisdiction in Hamburg applying German law, excluding the law with reference to the United Nations Convention referring to contracts for the International Sale of Goods dated July 5, 1989 (CISG) and/or possible future provisions replacing it. The Buyer is also entitled to bring action against the Seller at Seller's general jurisdiction.