

General conditions of purchase of Röchling Hydroma GmbH, 66957 Ruppertsweiler/Germany

(last updated: January 2006)

I. General - Scope

1. Our conditions of purchase apply to the exclusion of all others; we do not recognise any contradictory conditions of the supplier or conditions of the supplier that deviate from our conditions of purchase except and unless we have expressly consented to their application in writing. Our conditions of purchase also apply if we unconditionally accept the delivery of the supplier in the knowledge of contradictory conditions of the supplier or of conditions of the supplier that deviate from our own conditions of purchase.

2. All agreements concluded between us and the supplier for the purpose of executing this contract must be recorded in this contract in writing.

3. Our conditions of purchase also apply to all future transactions with the supplier.

4. Our conditions of purchase only apply in our dealings with businessmen and businesswomen, with legal persons under public law or with a public special fund.

5. If both parties to the contract insist that their General Business Conditions apply exclusively and if approval of these General Conditions of Purchase on the part of the supplier can also not be inferred from other circumstances deriving from his behaviour during the conclusion or execution of the individual transaction or of the ongoing business relationship, but the parties to the contract nevertheless carry out the transaction through delivery and through the acceptance of said delivery, the contract is deemed to have been concluded with the content of our written order as well as with the content of the legal regulation to the exclusion of the General Business Conditions of both parties (also to the exclusion of clauses that do not contradict each other).

II. The written form

Insofar these conditions demand written declarations, normal means of transmitting the printed word such as telexes, fax messages, data processing printouts or electronic declarations shall be deemed adequate within the framework of due diligence.

III. Delivery periods

1. The delivery periods stated by us in calendar days and weeks must be strictly observed. The supplier is only entitled to make a premature delivery if we give our consent, but this does not bring forward the due date for payment. Whenever it can be foreseen that the agreed delivery period will be exceeded - no matter whether this is due to reasons for which supplier is answerable for which he is blameless - we must be notified of this without delay. The supplier must vouch for the fact that with regard to the agreed delivery period he possesses all the necessary input materials and has scheduled his production dates taking account of his production capacity and current order book so carefully that punctual delivery to the place of receipt named by us is guaranteed. The objection that deliveries to him were not made correctly and in good time is of no consequence when determining the date when the supplier is in default of delivery.

2. The criterion for timely delivery is the time when the delivery is received at the place of receipt named by us. The criterion for timely delivery of supplies involving assembly or installation as well as of services is the date of successful acceptance testing.

3. If delivery is not made in time due to force majeure, the period allowed for delivery shall be extended by the time that elapses until the causes of the force majeure no longer exist; also in such a case, if the delay in delivery is protracted we are author-

ised to withdraw from the contract if we cannot reasonably be expected to adhere to the contract, in particular if the delay in performance leads to a loss of interest in performance of the contract.

IV. Passage of risk and transport

1. Insofar as nothing to the contrary is agreed in the contract, all transports are carried out free (and if necessary duty paid, including all ancillary costs) to the place of receipt named by us. The supplier shall select the packing and the means of transport with the due care of a freight forwarder taking account of any vulnerability to damage of the delivery items. Any transport insurance that is required in individual cases must be agreed with us in writing in all details insofar as such insurance is to be remunerated by us separately. Each shipment must be preceded by an advice of dispatch from which it is possible to see our order number, an exact designation of the nature, quantity and - if customary - weight of the delivery items. Part deliveries and residual deliveries must be designated as such in the accompanying and transport documents.

2. The risks of transport are borne by the supplier - even if the delivery items are collected by us or are dispatched on our demand. The risks of accidental loss or of accidental deterioration of the delivery items do not pass to us until the items have been received and accepted at the place of receipt named by us.

3. We are entitled to return packing material and pallets and to charge the supplier for their usual value as well as for the return freight charges.

V. Prices - invoice

1. If nothing to the contrary has been agreed, the agreed prices always count as fixed prices. Insofar as a written offer or written order confirmation of the supplier does not state

the statutory VAT separately next to the price or mentions that this must be added, this leads to agreement of a gross price that includes VAT.

2. Invoices are to be made out in duplicate. They must contain our order number, the exact designation of the delivery items (together with the quantity/also weight if applicable), the delivery date as well as the agreed due date for payment, furthermore separate statements of prices and VAT; we may reject invoices that fail to correspond to the aforementioned requirements. A payment cannot fall due before we have received an invoice containing the aforementioned data and the delivery to which it refers has come into our direct possession.

VI. Incoming inspection

1. Notwithstanding our inspection of incoming deliveries, the supplier remains obliged to carry out careful inspections of outgoing goods. We examine the delivery items to the customary extent - generic goods only by taking random samples - initially only with regard to their external condition, correctness and quantity (also weight if necessary), without having them tested for any functional shortcomings or other defects in the internal material structure that cannot be detected until the goods are put into operation or the material is used. We are only obliged to carry out chemical analyses, physical trials, use-specific tests or investigations of conformity with the DIN standards within the framework of the incoming inspection if this was expressly agreed.

2. We will notify the supplier without delay in writing of externally recognisable material defects or incorrect deliveries as well as of deficits in quantity and weight (with the exception of those that remain undetected despite customary random checks), in which case the commercial complaint is deemed to have been filed in good time if it is filed within 12 working days from receipt of the delivery items. We remain entitled to file complaints with regard to all other (hidden) defects, incorrect deliveries and deviations from agreed chemical values, physical values and agreed DIN standards that remained unde-

tected during the incoming inspection and testing or with regard to functional shortcomings that only became apparent when the item of materials was used within 12 working days after discovery of the defects.

3. A commercial complaint filed in good time in accordance with the preceding paragraphs and before expiry of the statutorily and contractually agreed limitation of claims for defects upholds for us all the claims for defects envisaged by law.

VII. Warranties of the supplier

If the supplier is obliged to deliver in accordance with DIN or in accordance with equivalent foreign standards while complying with precise chemical or physical values or while complying with tolerance ranges for such values (value limits) or according to drawings, compliance with these is always deemed to have been guaranteed in the purchase contract; the same applies if the existence of a quality mark (e. g. VDE, RAL or equivalent foreign test marks) was agreed for the delivery item/precursor product in respect of those qualification, functional and safety features that are to be ensured by the quality test that leads to the quality mark being awarded.

VIII. Payment / discounts - payments on account - default in payment

1. Insofar as nothing to the contrary is agreed, payment shall be effected at our option after receipt of the invoice and the goods within 14 days less 3% cash discount or within 30 days net by bank transfer, cheque or bill of exchange. The purchase price receivables of the supplier shall fall due for payment at the earliest one month after receipt of the invoice and the goods.

2. Notwithstanding any conflicting bans on offsetting, we are at all times authorised to settle claims of the supplier with our own counterclaims. Our authorisation to offset claims is also valid in respect of counterclaims that are not yet due and payable in conjunction with the crediting of an interest differential of 5% p.a.

3. Agreed payments on account can be made conditional upon the presentation upon first demand of the

absolute guaranty of a third party whose sound credit standing is recognised by us. The third party must guarantee restitution of the advance payment if agreed deliveries or services are not made or performed or are not made or performed in conformity with the contract. After we have made an advance payment we are entitled to inform ourselves about the progress of the production process of the delivery items; to this end the supplier herewith grants us in advance the right to have our appointed representative enter his business premises.

4. If models, tools, jigs etc. are needed for the production of the goods, these become our property after payment.

5. If we are in default in payment, the interest on arrears shall be 5 percentage points higher than the base interest rate in accordance with § 247 BGB [German Civil Code].

IX. Product liability

Besides the obligation to assume liability for injury to persons or material damage that is imposed on the supplier in accordance with the Product Liability Law, insofar as the existence of a product liability is also founded on tortious aspects (§ 823 BGB) or on contractual claims - the supplier also remains responsible for the indirect economic loss associated with the legal infringement. Insofar as the order confirmation or the General Conditions of Sale of the supplier contain clauses that override or restrict this liability, these are in no way recognised by us as being an integral part of the contract.

X. Place of jurisdiction - Applicable law

1. In the case of bilateral commercial transactions, the place of jurisdiction for both parties to the contract (also for actions on cheques and bills) is agreed to be Pirmasens.

2. All contractual relationships with the supplier are governed by German law to the exclusion of the laws regarding the international purchasing of movable property.