

GENERAL CONDITIONS OF SALE AND DELIVERY

1. Scope of Application

These General Conditions of Sale and Delivery of Oker Chemie GmbH (hereinafter referred to as "Seller") shall be an integral part of the contract of purchase. Changes and additions must be made in writing. Conflicting or deviating conditions of purchase or other reservations made by the Buyer shall not be effective unless the Seller has expressly accepted them in writing for a particular order.

2. Offers, Orders, Assignment

2.1 The Seller's offers shall not be binding with respect to price, quantity, delivery time or availability.

2.2 The Buyer's orders shall become binding to the Seller upon receipt by the Buyer of the Seller's written or computer-printed acknowledgement (including invoice or delivery note).

2.3 Assignments by the Buyer with respect to rights granted in purchase or delivery contracts with the Seller shall be not effective until the Seller's prior written consent.

3. Invoicing

3.1 The prices invoiced shall be the Seller's prices effective at the time of delivery.

3.2 Should the Seller, in the interval between conclusion of the contract and delivery, alter its terms of payment, Seller may apply the price or the terms of payment in effect on the date of dispatch. In the event of a price increase, Buyer is entitled to withdraw from the contract by giving notice to the Seller within 14 days after notification of the price increase, unless the price increase is exclusively due to an increase in freight rates. The right of withdrawal shall not apply to long-term supply contracts (contracts for the performance of a continuing obligation).

3.3 The weight of the goods on which the invoice amount is to be calculated shall be ascertained in the dispatch department of the Seller's plant from which the goods are supplied unless the Buyer wishes them to be weighed, at his expense, by the railway authorities at the station of dispatch.

4. Terms of Payment, Delayed Payment

4.1 The handing in of bills of exchange shall be subject to the Seller's prior consent and shall not constitute payment. The maturity of bills shall not exceed 90 days from the invoice date. Discount expenses, bill charges, bill tax and similar expenses incurred after the due date of the invoice shall be for the Buyer's account.

4.2 The Buyer shall examine the Seller's invoice within 10 days after receipt. The Seller's invoice is considered to have been accepted by the Buyer if the latter does not object within the allotted period of time.

4.3 The statutory rules for default in payment apply. Should Buyer exceed the term of payment, the Seller shall have the right to charge interest at a rate of eight per cent above the basis interest rate. The Seller reserves the right to prove and claim a higher damage caused by delay.

4.4 When the Seller has reason to doubt the Buyer's solvency or credit worthiness, and the Buyer is not prepared to effect advance cash payment or provide the Seller with security as requested, the Seller shall have the right to cancel that portion of the contract which he has not yet performed.

4.5 Deposits and advance payments shall be made inclusive of sales tax.

4.6 Payment shall not be deemed to have been effected until the amount has been cleared into one of the Seller's accounts.

4.7 The Seller reserves the right to use payments for the settlement of the invoices which have been outstanding longest, plus any interest on arrears and cost accrued thereon, in the following order: cost, interest, principal claim.

4.8 The Buyer shall not have the right to withhold payments. Counterclaims may only be offset if they are uncontested or have become res judicata.

5. Delivery

5.1 The Seller shall make every effort to effect delivery as early as possible. There shall be no fixed periods for delivery.

5.2 Should, notwithstanding the preceding sentence, a fixed period for delivery have been agreed, and should the Seller default with the supply, the Buyer shall grant the Seller a reasonable respite, normally of four weeks.

5.3 Delivery shall be subject to punctual delivery of the appropriate goods by the Seller's own suppliers.

5.4 The day of delivery shall be the day on which the goods leave the Seller's plant or warehouse or, if the day cannot be ascertained, the day on which the goods are put at the Buyer's disposal.

6. Shipment, Passing of Risk

6.1 The Seller reserves the right to choose the route and the mode of transport. Any additional costs resulting from special shipping requests made by the buyer shall be borne by the Buyer. Unless prepaid freight has been agreed, the Buyer shall also bear any increases in freight rates which become effective after the contract has been concluded, any additional costs resulting from re-routing a consignment, storage expenses, etc.

6.2 The Buyer accepts the risk of destruction, loss or damage upon dispatch of the goods or, if they are collected by the Buyer, at the time they are placed at the Buyer's disposal.

6.3 Goods not accepted by the Buyer will be warehoused at the Buyer's expenses and risk.

7. Retention of Title

7.1 Title to the delivered goods shall not pass to the Buyer until he has fulfilled all obligations arising from his business connection with the Seller, which shall include settling accessory claims and claims for damages and honouring cheques and bills. Title to the goods shall also remain with the Seller if the Seller's claims have been included in a current account and the balance of this account has been struck and acknowledged.

7.2 If the Buyer defaults on his obligations to the Seller, the Seller shall have the right, without granting a respite and without cancelling the contract, to demand the return of the goods to which the Seller retains title.

7.3 If goods to which the Seller retains title are processed into new products, the Buyer shall be deemed to be effecting such processing on behalf of the Seller without thereby acquiring any claims against the Seller. The Seller's title shall thus extend to the products resulting from processing. If goods to which title is retained by the Seller are processed together with, mixed with or attached to goods to which title is retained by third parties, the Seller shall acquire co-ownership of the resulting products in the ratio of the invoice value of goods owned by him to the invoice value of the goods owned by those third parties. If the goods are combined or mixed with principal substances of the Buyer, the Buyer, by accepting these conditions, surrenders his title to the new item to the Seller.

7.4 The Buyer shall be under the obligation to provide, on behalf of the Seller, adequate storage of the goods to which the Seller retains title, to service and repair them at his expense against loss and damage up to an extent which may reasonably be expected of a prudent businessman. By accepting these Conditions the Buyer assigns in advance to the Seller any claims which may accrue to him under the insurance policies.

7.5 As long as the Buyer duly meets his obligations to the Seller, he shall have the right in the normal course of business to do as he wishes with the goods to which the Seller retains title. This shall not apply, however, if he and his customers have concluded an agreement on purchase price claims according to which the Buyer may not transfer his claims to third parties. The Buyer shall not have the right to pawn, transfer by way of security or otherwise encumber the goods to which the Seller retains title. When reselling the goods, the Buyer shall make the passing of the title subject to full payment of the goods by his customers.

7.6 By accepting these Conditions, the Buyer assigns in advance to the Seller any claims which may arise from a resale of the goods to which the Seller retains title, together with any incidental rights and security interest, including bills of exchange and cheques, so as to provide the Seller with security for all claims he has on the Buyer as a result of the business transaction. If goods to which the Seller retains title are sold together with other goods at a single price, the assignment shall be limited to the portion of the invoiced value which covers the goods to which the Seller retains title. If the Buyer sells goods of which the Seller has co-ownership pursuant to Paragraph 7, subsection 3, the assignment shall be limited to the portion of the invoice value which corresponds to the Seller's co-ownership. If the Buyer uses goods to which the Seller retains title for processing a third party's product on a contractual basis, in accepting these Conditions he forfeits his contractual claims on the third party to the Seller in order to provide him with security for his claim. As long as the Buyer duly meets his obligations to the Seller, he may collect claims from a resale or from contract processing himself. He shall not have the right to assign or pledge such claims as security.

7.7 If the Seller believes his claims to be at risk, the Buyer shall, at the Seller's request, inform his customers of the assignment of his claims to the Seller and supply the Seller with all necessary information and documents. Any acts of third parties aimed at seizing the goods to which the Seller retains title or the forfeited claims assigned to him shall be brought to the Seller's attention by the Buyer immediately.

7.8 If the value of the security provided to the Seller exceeds the value of the claims to be safeguarded by more than 20 per cent, the Seller

shall, at the Buyer's request, bring the excess coverage down to 20 per cent by releasing security of his own choice.

8. Force Majeure, Impediments to Performance

Force majeure of any kind in particular, unforeseeable production, traffic or shipping disturbances, fire damage, floods, unforeseeable shortages of labour, utilities or raw materials and supplies, strikes, lockouts, acts of authorities or any other hindrances beyond the control of the party obliged to fulfil the contract that diminish, delay or prevent production, shipment, acceptance or use of the goods, or make their use unreasonable, shall relieve the party from the obligation to supply or accept delivery, as the case may be, as long as and to the extent that the hindrance prevails. If as a result of the hindrance, supply and/or acceptance is delayed by more than three months, either party shall have the right to cancel the contract. Should the Seller's suppliers fail to supply him in whole or supply him only in part, the Seller shall not be under obligation to purchase from other sources. In such cases the Seller shall have the right to distribute the available quantities among his customers while at the same time taking into account his own requirements.

9. Notification of Defects

9.1 Notification of defects shall only be recognised if filed in writing within two weeks of receipt of the goods together with supporting evidence, samples and packing slips, stating the invoice number and date, and the markings of the packaging. Such claims are subject to the requirement of the Seller that 80 per cent of the delivered goods be unopened and made available to the Seller for analysis.

9.2 The Seller must be notified of hidden defects immediately upon discovery, but not later than five months after receipt of the goods. This shall not affect the statutory periods of limitation. The responsibility to prove that a defect is a hidden defect shall rest with the Buyer.

9.3 Delivered goods forming the basis of a complaint shall not be returned to the Seller except with the Seller's expressed consent.

10. Buyer's Rights in the event of Defects

10.1 Warranty claims made by the Buyer shall only entitle the Buyer to be supplied with a replacement. If the replacement provided by the Seller is also defective, the Buyer may reduce the purchase price or cancel the contract. Claims for damages as defined in section IX, shall remain unaffected the above. Claims made by the Buyer due to expenses incurred as a result of reworking, in particular transport, travel, labour and material costs, shall be excluded where such expenses have been increased by the fact that the item was subsequently transported to a location other than the premises of the party placing the order, unless the goods were supplied to this location in line with their intended use.

10.2 Any guarantee agreement must be made in writing. A statement of guarantee shall only be effective, if it describes the content of the guarantee and the duration and physical scope of guarantee protection in sufficient detail.

11. Periods of Limitation

In cases that fall under § 438, paragraph 1, no. 3 German Civil Code (BGB), warranty claims shall expire with effect from one year from the beginning of the statutory period of limitation. In cases that fall under § 438, paragraph 1, no. 2 3 German Civil Code (BGB), these claims expire in two years from the beginning of the statutory period of limitation. Compelling regulations governing the statutory period of limitation or the question of liability, such as, for example, liability for the assumption of a guarantee, liability for willful intent and gross negligence, for death, physical injury or damage to health, for the violation of essential contractual obligations, in accordance with the product liability law and the provisions relating to the sale of consumer goods shall remain unaffected.

12. Liability

12.1 No claims for compensation may be lodged by the Buyer including those of a non-contractual nature for any minor negligent breach of duty by the Seller, his executive staff or other agents, unless such breach concerns a duty that is crucial for the object of the contract.

12.2 The Seller shall only be liable for indirect damage or damage which could not be foreseen at the time of conclusion of the contract if such damage is due to a gross fault on the part of the Seller or one of his managerial staff.

12.3 The above limitations shall not apply to damages resulting from death, injury or damage to health. However, this shall not affect the applicability of compelling statutory liability regulations such as, for example, liability for the assumption of a guarantee or product liability law.

13. Properties of Goods, Technical Support, Use and Processing

13.1 The properties of the goods shall as general rule only include the properties as stated in the product descriptions, specifications and labelling of the Seller. Public statements, claims or advertising shall not be classed as information on the properties of the item for sale.

13.2 Technical advice provided by the Seller verbally, in writing or by way of trials is given in good faith but without warranty, and this shall also apply where proprietary rights of third parties are involved. The Seller's technical advice shall not release the Buyer from the obligation to test the products supplied by the Seller as to their suitability for the intended process and uses. The application, use and processing of the products are beyond the Seller's control and therefore entirely the Buyer's responsibility.

14. Communication

Any notice or other communication required to be received by a party is only effective at the moment it reaches this party. If a time limit has to be observed, the notice or other communication has to reach the recipient party within such time limit.

15. Advice

Any advice rendered by Seller is given to the best of his knowledge. Any advice and information with respect to suitability and application of the goods shall not relieve Buyer from undertaking his own investigations and tests.

16. Applicable Law, Interpretation of Terms of Trade, Place of Performance and Jurisdiction, Invalidity of Individual Clauses

16.1 German law shall apply.

16.2 Customary terms of trade shall be interpreted in accordance with the INCOTERMS current at the time.

16.3 Even if it has been agreed that the Seller pays the customs and import duties in the country of destination, any increases in such duties which become effective between the date of the order acknowledgement and delivery of the goods shall be borne by the Buyer. All other charges, taxes and costs connected with the purchase contract shall also be borne by the Buyer.

16.4 Should any clause in these General Conditions of Sale and Delivery be or become invalid, this shall not affect the validity of the remaining clauses or remaining parts of the clause concerned. The parties shall replace any invalid arrangement by an effective one which conforms as far as possible to the economic purpose of the invalid clause.

16.5 Place of performance for each delivery shall be the Seller's dispatch department. Place of performance for payment shall be Goslar.

16.6 Place of jurisdiction for both parties shall be Braunschweig at the plaintiff's option. The Seller shall furthermore have the right to sue the Buyer at the Buyer's general place of jurisdiction.

Goslar, November 1, 2004

Company's office: 38640 Goslar. Registered at the Local Court in Braunschweig, Company Registration No. HRB 110559