

General Purchase Conditions

1. Definitions

Goods

shall mean the design, services, materials objects and/or equipment and all pertaining documents to be supplied as specified in the purchase Order and any part or component thereof incorporated therein.

Purchaser

shall mean the corporation or the company belonging to Polyscope Polymers which issues the Purchase Order. The words Buyer and Company which may be used elsewhere in the Purchase Order shall have the same meaning as Purchaser.

Supplier

Shall mean the person, corporation or company identified in the Purchase Order as the Supplier of the Goods. The words Vendor, Seller and Successful Bidder which may be used elsewhere in the Purchase Order shall have the same meaning as Supplier.

Sub supplier

shall mean any person, corporation or company other than Purchaser having a contract with Supplier for the Supply of the Goods or a part of the Goods. The words Sub vendor and Subcontractor which may be used elsewhere in the Purchase Order shall have the same meaning as Sub supplier.

Purchase Order

Shall mean the order or purchase order issued by Purchaser, or by third parties authorized to do so for and on behalf of Purchaser, and all the specifications, drawings and documents explicitly listed therein as an attachment to the Purchase Order.

2. Agreement

- 2.1 The Purchase Order is binding for Purchaser only if it has been given or confirmed by purchaser in writing.
- 2.2 Supplier is deemed to have accepted the purchase Order upon signing and returning the Purchase Order confirmation form within 10 working days after receipt of the Purchase Order or if he has commenced with the execution of the Purchase Order in such a manner that it can be known to the Purchaser.
- 2.3 Purchase Order confirmations which contain modifications to or deviations from the conditions of the Purchase Order are only binding if accepted in writing by Purchaser.
- 2.4 Supplier shall abstain from counter-confirmation in detail unless specifically asked for in the Purchase Order.
- 2.5 These General Purchase Conditions are an integral part of the Purchase Order. All general purchase conditions of Purchaser of any designation whatever which previously applied to the relationship between the Parties are deemed to have been cancelled and superseded by the present conditions. Application of Supplier's general sales conditions is explicitly rejected by Purchaser.
- 2.6 All further terms and conditions mentioned in, referred to in or attached to Supplier's quotation is well as in any subsequent correspondence are hereby declared null and void unless explicitly included in the Purchase Order.
- 2.7 Items or parts of Goods not specified in the Purchase Order but necessary for the proper, safe and efficient operation, construction or maintenance of the goods and/or for the fulfillment of Supplier's guarantees are deemed to be included in the Purchase Order and shall be supplied and/or executed by Supplier at no extra cost to Purchaser unless otherwise specified in the Purchase Order.

3. Price

Supplier shall execute the Purchase Order against the price or prices mentioned therein.

Unless expressly stated to the contrary, prices stated in the Purchase Order are fixed and firm and not subject to any changes and inclusive of any import and/or export duties and taxes and costs of licenses and permits, but exclusive of Value Added Tax.

4. Delivery

- 4.1 Delivery shall be on DDP basis as specified in the Inco terms 2000 issued by the international Chamber of Commerce, unless exceptions thereto are specified in the Purchase Order.
- 4.2 Delivery of the Goods shall be effected in adequate packaging commensurate with the required mode of transportation, handling and storage of the Goods. The cost of packaging is included in the prices of the Purchase Order. Purchaser will not pay any caution money, rental or cost of wear.

5. Delivery time

- 5.1 The date of delivery of the Goods Specified in the Purchase Order is binding and of the essence of the Purchase Order. The mere fact of exceeding the date of delivery places the Supplier in default, in which case Purchaser is entitled either to cancel the Purchase Order in whole or in part or to claim performance by Supplier, but in either case without prejudice to Purchaser's right to indemnification.
- 5.2 Without prejudice to Supplier's obligation to deliver the Goods at the specified date and place, Supplier shall immediately notify Purchaser in writing at the moment any delay is foreseen.

- 5.3 Supplier shall in such case immediately submit its proposal indicating the measures Supplier shall take at its own account to make good the delay in order to maintain the agreed-upon delivery date. Should Supplier fail to take foresaid measures or should Purchaser not approve the measures, Purchaser has the right to require Supplier to forthwith implement, for Supplier's account, all measures Purchaser deems necessary.
- 5.4 Purchaser shall at any time have the right to ascertain the progress of the delivery and to that effect enter the premises of Supplier and its Sub suppliers. Supplier shall impose compliance with this right on its Sub suppliers. Purchaser may request Supplier to Submit unpriced copies of contracts with Sub suppliers for the purpose of progress ascertainment.
- 5.4 In the event Purchaser determines that Supplier's and/or Sub suppliers' performance is such that it will cause a substantial delay in delivery of the Goods, Purchaser reserves the right to remove upon written notice to Supplier, the Goods or any part thereof from Supplier's and/or Sub suppliers' premises and to complete the manufacture or have the manufacture completed by any means for supplier's account and without prejudice to any other rights Purchaser may have under the Purchase Order or at law.

6. Assignment

Supplier shall not assign the Agreement with Purchaser or any part thereof without the prior written approval of Purchaser. Supplier hereby in anticipation explicitly allows Purchaser to assign the Agreement with Supplier or any part thereof to third parties.

7. Subcontracting

The Purchase Order or part of same may not be contracted to any Sub supplier without prior written approval of Purchaser. Such approval shall in any case be conditional upon Purchaser having received a written statement signed by the Sub supplier concerned from which it appears that the Sub Supplier will abide by the stipulations of this Agreement, including the present General Conditions. Subcontracting does not relieve Supplier from any responsibility or liability under the Purchase Order. Supplier warrants that Sub Suppliers shall abide by the stipulations of this Agreement, including the present General Conditions.

8. Guarantee and indemnity

- 8.1 Supplier guarantees that the Goods will be new and free from defects and will in all respects meet the requirements specified in the Purchase Order and that they will be and remain suitable for the actual purpose for which Purchaser wants to use them as far as this purpose can be known to Supplier.
- 8.2 Upon notification by Purchaser, Supplier shall for its own account and to Purchaser's satisfaction repair all existing and occurring defects of the Goods, or remove the defective Goods and replace them by non-defective goods, undoing any pollution caused by the defective Goods, immediately upon receipt of said notification or at a time to be agreed upon by the Parties.
- 8.3 If Supplier fails to comply with its obligations set forth under the guarantee, Purchaser is, upon notification in writing to Supplier, entitled to carry out the repair and other work or to have it carried out by a third party for Supplier's account, without prejudice to Supplier's obligations under the guarantee, nor to Purchaser's entitlement to damages. Purchaser is in such case entitled to set off the costs of repair and other work against any outstanding order payments.
- 8.4 Supplier shall indemnify and hold harmless Purchaser from any claims by third parties, directly or indirectly resulting from the execution of the Purchase Order.

9. Inspection and testing

- 9.1 Supplier shall carefully and continuously control and test the materials and the manufacturing operations during the production of the Goods in order to assure that the Goods will comply with the requirements of the Purchase Order.
- 9.2 Purchaser shall further be entitled to order Supplier to perform or cause to be performed any Supplementary tests and/or checks.
- 9.3 All the costs of the controls and tests meant under 9.1 and 9.2 above - such as mechanical, chemical, hydrostatic, X-ray, ultrasonic and laboratory tests - as well as any personal expenses for third party inspectors, such as cost for travel, living and salaries, plus all the costs of the related reports and certificates, are for Supplier's account.
- 9.4 At Purchaser's request Supplier shall forthwith make available all test results and related documents.
- 9.5 Certificates shall be issued by institutes that are qualified and recognized in the industry.
- 9.6 Purchaser shall further have the right by itself or by a representative appointed by it to inspect and test the Goods and to ascertain the progress of the Purchase Order's execution at any time during or after the fabrication, construction or assembly of all work relating to the Purchase Order, either on Supplier's or Sub suppliers' premises or wherever the Goods are or the work is being executed. Performance or non-performance of any such inspection or check does not relieve Supplier of any obligation or liability under the Purchase Order. Supplier shall make available to Purchaser or its representative the measurement equipment required to perform the inspection with sufficient accuracy.
- 9.7 The costs of the inspections, tests and checks meant under 9.6 hereof shall in principle be borne by Purchaser, unless Supplier has not complied with its obligations under 9.1 and 9.2 hereof and/or it appears from such inspections, tests or checks that the Goods do not or will not meet the Purchase Order requirements, in which cases the costs shall be borne by Supplier.

- 9.8 In order to allow Purchaser to attend tests on any materials or carry out inspections at agreed-upon hold-points, Supplier shall inform Purchaser at least 5 (five) days in advance of the foreseen testing date. Supplier shall clearly indicate which parts or items of equipment are ready for testing and/or inspection.
- 9.9 Unless otherwise agreed in writing, inspection of the Goods may also take place after arrival of the Goods on the premises to be designated by Purchaser. Such inspection may be additional to earlier inspections at other locations. Goods which are rejected shall be deemed not to have been supplied. Returning of rejected Goods shall be for the account of Supplier. Purchaser reserves the right to cancel the Purchase Order in its entirety or in part at no cost to Purchaser in the case of rejection of Goods.
- 9.10 If requested, Supplier shall repair rejected Goods as far as possible and/or necessary and leave them in free use to Purchaser until Purchaser has received Goods in replacement which meet the relevant requirements of the Purchase Order, upon which the rejected Goods can be returned. Also in this case Purchaser retains all rights which arise from rejection or non-performance of the Goods.
- 9.11 Purchase is not obliged to test and/or inspect the Goods upon receipt.
- 9.12 Payment does not constitute acceptance of the Goods.
- 9.13 If Purchaser finds a defect in the Goods he shall in any case have a period of six weeks to report such defect to Supplier.

10. Deviations

- 10.1 Supplier shall in no case deviate from the specifications laid down in the Purchase Order, nor deviate in any other sense from the Purchase Order, unless he has obtained an authorization in writing from Purchaser.
- 10.2 Approval by Purchaser of drawings, samples or other proposals shall not imply approval of deviations unless explicit confirmation is given in writing.
- 10.3 Where the designation 'or equivalent' is used in the Purchase Order, any material proposed as equivalent by Supplier shall require previous approval in writing by Purchaser.

11. Set-off debts

Amounts which Purchaser or any of its affiliated companies owes to Supplier or any of its affiliated companies can always be set off by Purchaser against amounts which purchaser or any of its affiliated companies owes to Supplier or any of its affiliated companies.

12. Secrecy

Supplier shall treat as confidential all information and data directly or indirectly obtained from Purchaser and shall not make such information and data available to any third parties, except when necessary in connection with the execution of the Purchase Order, and shall not use such information and data for any other purpose than for the execution of the Purchase Order.

13. Liability

Supplier shall be liable, without any notice of default being required, for any loss or damage incurred by Purchaser due to non-performance on the part of Supplier and/or Sub Supplier, including but not limited to consequential damages and the costs in connection with inspection, location of defects, repair, replacements and retesting of the Goods as well as the full costs of obtaining satisfaction in and out of Court, including any amounts of litigation costs not awarded by the Court.

14. OWNERSHIP AND RISK

- 14.1 Purchaser shall become the owner of the Goods as soon as they have been manufactured by Supplier or Sub Supplier in accordance with the Purchase Order and are ready for inspection or shipment. Supplier shall identify and mark the Goods as Purchaser's property and keep them separated from Supplier's goods.
- 14.2 Risk and responsibility attaching to the Goods shall pass to Purchaser upon receipt by or on behalf of Purchaser in accordance with the delivery terms.

15. Intellectual property rights

Supplier shall indemnify and hold harmless Purchaser and its affiliated companies and their respective personnel against any and all liability loss or expense by reason of any claim, action or litigation in respect of any alleged or actual infringement of any patent, copyright or trademark or any other intellectual property right, foreign or domestic, resulting from the use or resale of the Goods.

16. Licenses and permits

Supplier shall take care of all licenses and permits required for the execution of the Purchase Order.

17. Force majeure

- The Parties shall in any case not be allowed to invoke force majeure in case of:
- delay in the supply of products and/or services by third parties;
 - a shortage of raw materials;
 - price increase and/or scarcity of raw materials and/or services required for the production process;
 - strikes.

18. Termination and postponement

- 18.1 In the event of:
- a. Supplier failing in the performance of its contractual obligations, including in any case non-compliance with the terms and conditions under the Purchase Order.
 - b. Purchaser having valid reasons for assuming that Supplier will fail in the performance of his contractual obligations, and Supplier on being asked not offering adequate security for adequate performance, and/or
 - c. Supplier's bankruptcy having been applied for, and/or
 - d. Supplier having filed an application for a moratorium on payments or for a debt rescheduling arrangement under the Wet Schuldsanering Natuurlijke Personen (Act on Debt Rescheduling for Natural Persons),
- Purchaser shall be entitled without further notice of default to terminate the Purchase Order in whole or in part, and where necessary to return Goods already delivered and to transfer to Supplier the related property rights, all this without prejudice to any of Purchaser's indemnification claims.
- 18.2 Apart from the cases mentioned in Article 18.1 above, Purchaser may at any time in its absolute discretion give written notice to Supplier terminating forthwith the Purchase Order in whole or in part, where necessary returning Goods already delivered and transferring to Supplier the related property rights. In the event of termination hereunder Purchaser shall pay to Supplier such a sum as shall reasonably compensate Supplier for work already done and obligations already assumed vis-à-vis non-affiliated third parties involved in the performance of the Purchase Order. If any Goods to be returned have already been paid for by Purchasers, the amount paid shall be deducted from said compensation.
- 18.3 Purchaser is entitled to have the execution of the Purchase Order by Supplier postponed. Purchaser shall notify Supplier in writing of its wish to have the execution postponed. Such postponement shall not exceed 180 (one hundred and eighty) consecutive calendar days nor aggregate more than 270 (two hundred and seventy) calendar days. The postponement notice shall designate the part(s) of the Supplier's obligations affected. Upon receipt of any such postponement notice, Supplier shall unless otherwise instructed by Purchaser:
- Immediately discontinue performance of Supplier's obligations on the day and to the extent specified in the notice;
 - place no further sub-orders with respect to the postponed part of the Order;
 - promptly make every effort to obtain postponement upon terms satisfactory to Purchaser of all Suborders to the extent they relate to performance of the postponed part of the Order;
 - continue to perform non-postponed obligations;
 - generally act in such a manner as to minimize costs associated with the postponement.
- Upon receipt of a notice to that effect from Purchaser, Supplier shall resume the postponed part of the Order on the date specified in such notice. Only direct cost inevitably resulting from the requested postponement shall be allowable as costs to be paid by Purchaser. Within fifteen (15) working days from the date Supplier has resumed execution of the postponed part of the Order, Supplier shall submit a documented estimate of the cost of the postponement to allow evaluation by Purchaser. Purchaser shall not be held liable for any damages or loss of anticipated profits of Supplier on account of the postponement asked for by Purchaser.

19. Legal stipulations

Supplier shall comply with all Legal stipulations which in connection with the execution of the Purchase Order have to be fulfilled and Supplier shall safeguard Purchaser against any claims and/or penalties and/or costs bound up with actual or alleged infringement of Such legal stipulations.

20. Applicable law

The Purchase Order shall exclusively be governed by the law of the Netherlands. The United Nations Convention concluded at Vienna on 11th April 1980, on international sales contracts for movable property, shall not be applicable to the Purchase Order.

21. Disputes

All disputes arising between Supplier and Purchaser in connection with the Agreement between the Parties shall at Purchaser's option be submitted either to one or more arbiters in accordance with the regulation of the Dutch Arbitration Institute (Nederland's Arbitrage Instituut), the arbitration proceedings taking place in Sittard (Netherlands) and conducted in English, or to the competent Court in Maastricht (Netherlands).