

# Standard Conditions of Purchase of Innospec Leuna GmbH

## Section 1 Scope

Exclusively our Standard Conditions of Purchase shall apply. Terms of sale and delivery of the Supplier (Contractor) will not be accepted unless we expressly approve of them in writing. Our Standard Conditions of Purchase shall apply even if we accept delivery from the Supplier without reservation, but with knowledge of deviating or opposing terms of the Supplier.

Our Standard Conditions of Purchase shall also apply to any future dealings with the Contractor.

Unless specified otherwise, our Standard Conditions of Purchase shall only apply where the Contractor is a corporation (Section 14 of the German Civil Code, BGB), a body corporate or public law trust.

## Section 2 Correspondence

Our complete PO number and the date of the PO shall be quoted on all correspondence.

## Section 3 Purchase order / order confirmation

Purchase orders placed by Innospec Leuna GmbH shall only be binding if issued on a PO blank form of Innospec Leuna GmbH. Purchase orders shall be confirmed in writing by the Contractor.

Purchase orders placed orally or on the phone as well as other agreements in connection with the conclusion or performance of a supply contract must be confirmed in writing by Innospec Leuna GmbH to become effective.

Drawings or similar items enclosed with a purchase order of Innospec Leuna GmbH will be component part of the basis of agreement.

## Section 4 Delivery dates or periods

The purchase order shall be performed for the delivery date or period agreed. Delivery periods mentioned in the purchase order shall count from the date of the purchase order.

The Contractor shall be obliged to meet deadlines and keep delivery periods. If he does not keep a delivery period he will be put in default without it being necessary to serve a formal reminder or to grant an extension of time. In the event of default, Innospec Leuna GmbH shall be entitled to a penalty in the amount of 0.2 % of the net contract price for each calendar day of delay, but no more than five percent (5%) of the net contract price. Further legal claims shall remain unprejudiced. The Contractor shall be entitled to provide evidence to the effect that no or significantly less damage has been caused by an event of delay.

The Contractor shall notify Innospec Leuna GmbH in writing as soon as he becomes aware of impending delay affecting delivery in full or in part, quoting the reasons for such delay.

If delivery periods are not complied with for reasons of Force Majeure, we may request that the affected supply or service be made or rendered at some later point in time on the terms and conditions originally agreed, or rescind from the Contract in whole or in part after expiration of a reasonable extension of time.

Part deliveries will only be accepted by Innospec Leuna GmbH if duly agreed. Partial invoices for partial deliveries made, but not agreed will become due for payment after complete performance of the respective delivery only.

## Section 5 Warranty

The Contractor shall guarantee that the delivery item will have no defects that might affect, impair or otherwise reduce its value or fitness for the agreed use, and that no warranted qualities are missing. The supply and delivery shall comply with the conditions specified in the written purchase order as well as with any currently applicable statutory requirements, and the codes and standards of relevant trade associations. The quantities ordered (in terms of weight, pieces, length, surface area, volume or similar) be precisely complied with. The Contractor shall provide similar warranties for supplies and deliveries made by his sub-contractors or sub-suppliers, if any.

Notifications of defects in line with the duty to inspect and issue complaints pursuant to Section 377 of the German commercial code (HGB) shall be deemed to be given without delay and in due time if received by the Contractor within two (2) weeks.

If correction or repair on the part of the Contractor fails or if he did not make use of a reasonable extension of time granted, then and in such event Innospec Leuna GmbH shall be entitled to remedy or correct the defect on its own, or to have the defect remedied or corrected by third parties, and to request compensation for the costs so incurred, including a reasonable advance payment from the Contractor. The right of rescission and of compensation of further damage shall remain unprejudiced. This right of alternative performance, however, shall not apply if the Supplier was entitled to refuse performance pursuant to statutory regulations.

Statutory warranty periods shall apply.

## Section 6 Shipment; right of retention

The full ordering numbers and the date of the purchase order shall be quoted in all shipping documents (bill of lading (B/L), consignment note, postal packet coupon, etc.).

Consignment notes must bear the note: "Consignee to be notified by phone". Each shipment shall be accompanied by a packing slip (notification of shipment) which shall indicate the type of shipment (prepaid or not prepaid), itemised weights or the total weight as a minimum requirement, and an itemised breakdown of the shipment.

Notifications of shipment shall be mailed immediately after shipping in three (3) copies, quoting the above information. Each purchase order shall be performed completely and in one operation.

Partial shipments are allowed subject to the written consent of the Customer only. Each partial shipment shall be expressly marked accordingly in the notification of shipment. The final shipment must be marked as "final delivery".

For wagonloads, official weighing of the empty and filled wagon by some competent railway authority is required. Merely weighing the filled wagon and quoting the dead weight marked on the wagon shall not be adequate.

No cartage will be accepted for collection by the customer.

For border-crossing supplies and deliveries, instructions for shipping or customs clearance shall be requested and obtained from the shipping department of Innospec Leuna GmbH no later than fourteen (14) days before the agreed delivery date.

Exercise of a right of retention on the part of the Contractor shall be excluded unless such right of retention should emanate from the same Contract.

## Section 7 Risk of transport

Supply and delivery shall be made at the Contractor's risk.

Section 8  
Invoicing

Invoices shall be sent to Innospec Leuna GmbH after supply and delivery have been performed, in three (3) copies, quoting the full purchase order and consignment numbers as well as item numbers. If the above information is missing or if requested acceptance inspection reports, certificates or similar are not accompanied with the shipment the respective invoice will be considered as not to have been submitted until further clarification or provision of the missing information or documents by the Contractor. The same shall apply to delivery notes or notifications of shipment mutatis mutandis.

Excess quantities or surplus services, if any, shall be separately quoted on the invoice.

Section 9  
Payment; set-off

Payment shall be made within thirty (30) days from delivery and receipt of the respective invoice with a three percent (3%) discount, or within ninety (90) days net and clear through means of payment at the Customer's option. Where deliveries are made early, the agreed delivery date shall prevail.

Assignment of claims towards Innospec Leuna GmbH shall be allowed subject to prior written consent only. Reservations of ownership, including their forms of extensions, as customary in the sector or as effectively agreed shall remain unprejudiced.

Set-off on the part of the Contractor against claims due to ourselves shall only be allowed if the counter-claim is undisputed, i.e. confirmed in writing, or unappealable.

Section 10  
Passage of title

Ownership in the Goods shall pass to Innospec Leuna GmbH upon receipt of same.

Section 11  
Patent infringement

The Contractor shall be responsible to see to it that the supply and delivery, use or transport of any Goods will not constitute an infringement of any patents or other such third-party proprietary rights.

Section 12  
Acceptance

Costs for technical acceptance inspections or other such testing shall be deemed to be included in the Contract price. The costs of witnesses sent by Innospec Leuna GmbH will be borne by the latter.

If inspections or tests must be repeated for reasons for which the Contractor is responsible the costs for witnesses sent by Innospec Leuna GmbH, its agents or final customers shall be borne by the Contractor.

Technical acceptance inspections or tests conducted by Innospec Leuna GmbH and/or its agents shall not relieve the Contractor from his duties to perform and to provide warranty. Specifically, said technical acceptance inspections or tests shall not be considered as acceptance inspections in the legal meaning (pursuant to Section 640 of the German Civil Code, BGB); hence they do not govern the passing of risk, performance, or commencement of warranty period.

Receipts shall be effective subject to subsequent inspection of the Goods received for complete and correct delivery only.

Section 13  
Documents, models and designs

Documents, drawings, models or designs or similar made available to the Contractor with a view to manufacturing the Goods shall remain the property of Innospec Leuna GmbH and may not be used by the Contractor for any

other purposes, or reproduced, or made available to third parties. Innospec Leuna GmbH will reserve the right of ownership and industrial property rights in all and any documents and drawings made available to the Contractor.

Section 14  
Safety regulations

To prevent accidents at work, the Contractor shall be obliged to observe and comply with any applicable provisions of safety and health at work regulations.

Section 15  
Assignment of the supply contract

The Contractor may use third parties (subcontractors) to provide major services subject to the consent of the Customer only.

Section 16  
Offset clause

Innospec Leuna GmbH shall be entitled to set off its own claims towards the Contractor or any of its affiliates against counter-claims the Contractor may have towards Innospec Leuna GmbH.

Such set-off shall also be allowed if the maturity of the Parties' claims are different of where the one Party owes payment in cash while the other Party owes payment in bills of exchange (B/E) or with acceptance bills. For different maturities of claims, billing shall occur as of the value date. In day-to-day payments, the basis for set-off shall be the balance of account.

Section 17  
Place of performance, legal venue

The place of performance shall be the destination to which the Goods are to be shipped as instructed by Innospec Leuna GmbH, or the place where installation or other such services are to be rendered.

The legal venue for all disputes shall be Halle/Saale, Germany. However, Innospec Leuna GmbH shall be entitled to institute legal proceedings at any place which may be a legal venue for the Contractor.

Section 18  
Data processing

The Contractor hereby consents that any information required for the conclusion of the Contract and / or for performance will be processed, specifically, saved in data file format and / or transmitted to third parties within the company.

Section 19  
Governing law

This Contract shall be governed exclusively by German law even though the Contractor may not be domiciled in (the Federal Republic of) Germany or even though the place of performance may be situated outside of Germany. Application of the Agreement of the United Nations dated 11.04.1980 regarding contracts on international commodity trading shall be excluded herewith.

June, 2006