

**General Conditions of Sale and Delivery
Applicable to EU Products for EU Use or Export**

I. General

1. The following General Conditions of Sale and Delivery ("**Conditions of Sale**") shall be applicable for all deliveries by Momentive Performance Materials Quartz GmbH ("**Seller**") to "**Buyer**."

Conflicting or deviating conditions of purchase or other restrictions on the part of Buyer are not recognized unless Seller has given its express written approval for the particular case.

2. These Conditions of Sale only apply in commerce with respect to enterprises.

3. These Conditions of Sale also apply to any future business with Buyer resulting from current business relations, even if Seller and Buyer have not explicitly agreed again upon the Conditions of Sale.

4. Any amendments and supplements hereto require the written form. This applies also for any amendments to this written form clause.

II. Offers, Orders

1. Seller's offers are non-binding unless they are designated explicitly by Seller as binding.

2. Buyer's orders shall become binding only upon Seller's binding written order confirmation (also invoice or delivery note).

3. After receipt of an order confirmation the order can only be canceled by Buyer in full or in part with the prior written consent of Seller. In case Buyer cancels a confirmed order without Seller's consent, Seller shall be entitled to either request acceptance of the products and payment of the invoice including late payment fees according to item IV.2 below or request compensation in the amount of the value of the products.

III. Invoicing

1. Unless the order confirmation or the contract provides otherwise, Seller's prices are to be understood FCA (Incoterms 2000).

2. Prices are only to be considered as fix and firm prices provided that they have been explicitly designated as such in writing in the contractual documents.

3. In case of a contractual relationship about the recurring delivery of products, and in case of other contracts for the performance of a continuing obligation ("Longer Termed Contract"), Seller reserves the right to modify its prices on account of changes in costs having occurred after the conclusion of the contract, for instance due to an increase in taxes, duties, other levies, costs of purchasing and testing, freight, increase in materials and production costs, suppliers' prices, wages etc., such modifications taking effect both in Buyer's favor and at Buyer's expense, to the extent such modifications are attributable to events outside Seller's control.

4. The above paragraph shall apply accordingly to non-Longer Termed Contracts where the date agreed for delivery or performance is more than four months from the date the contract was concluded.

5. If, in accordance with the above paragraphs, the agreed price changes by more than 10%, both parties are entitled to withdraw or, in case of a Longer Termed Contract, to terminate such contract with effect to the date when the increased price becomes effective.

6. All prices are quoted exclusive of the statutory turnover tax applicable from time to time. A cash discount is only permitted if it has been expressly agreed beforehand.

IV. Payment

1. Unless the parties agreed otherwise, the payments are to be made net within 30 days from date of invoice and processed by direct wire transfers to Seller's nominated bank account.

2. In the event of Buyer's late payment or default of payment, Seller shall be entitled to charge interest for default at 1 % of the invoice amount for each 30 days pro rata from the due date until full payment is received. Seller also reserves the right to charge a reasonable administration fee for processing the interest claim, to withdraw from any contract or to terminate any Longer Termed Contract with Buyer in line with the applicable statutory regulations.

3. Payments with checks and bills of exchange are subject to Seller's prior written approval; they will be presented on account of performance. Highest term for bills of exchange shall be 90 days from the date of invoice. Bank discounts, charges for bills of exchange, tax on bills of exchange and other charges arising after a period of 30 days from receipt of the invoice shall be for Buyer's account.

4. If the opening of insolvency proceedings of Buyer is requested or if Seller becomes aware of circumstances pointing to a substantial deterioration in Buyer's financial situation, Seller may at its discretion request the provision of securities within an appropriate period of time or payment concurrently with delivery. If Buyer fails to comply with this request, Seller shall be entitled, subject to further statutory rights, to withdraw or to terminate any Longer Termed Contract.

5. Down-payments and advance payments are to be made inclusive of turnover tax.

6. Payments are considered effected as soon as the amount has been received by Seller on Seller's accounts.

7. Seller reserves the right to apply payments to the longest outstanding invoice items plus related interest for default and costs in the following sequence: costs, interest, principal.

8. Buyer shall only be entitled to counterbalancing if its counterclaims have been legally established, are undisputed or have been recognized by Seller. The right of retention

over Buyer is only admissible if these same conditions are fulfilled and if, in addition, its counterclaim is based on the same contract.

9.

Buyer agrees to the settlement of his claims and liabilities vis-à-vis Seller and Seller's affiliated companies. Claims and liabilities of Buyer's affiliated companies can be settled accordingly.

V. Delivery

1.

Seller shall always make an effort to effect delivery as quickly as possible. There are no firm delivery dates, unless the parties have expressly agreed on fixed delivery dates.

2.

To the extent a firm delivery date has been agreed for delivery and in the event of delayed delivery, Buyer shall have to set a reasonable period for delivery. If this period has elapsed without delivery, Buyer shall be permitted to withdraw from those amounts of products that have not been delivered until the notice period has elapsed. A withdrawal from the entire contract shall only be permitted if Buyer can prove that, after a valuation of the entire conditions, he has no legitimate interest in the contract. Claims for damages are only applicable in the limits set out in cif. X.

3.

Seller makes it a proviso to be itself supplied in a correct and timely manner.

4.

Unless agreed otherwise between the parties, the date of delivery shall be the date on which the products are handed over to the carrier.

5.

Reasonable partial performance and deliveries by Seller are permitted on a reasonable scale.

6.

For the provision of Seller's packaging material, including the provision of tank cars and containers, special conditions are to be agreed between the parties.

VI. Acts of God; Contractual Obstacles

1.

Acts of God of any kind, unforeseeable equipment failures, transport breakdowns or shipping problems, fire damage, inundations, unforeseeable shortages in manpower, energy, raw materials and supplies, strikes, lockouts, official decrees or other obstacles that are beyond the control of the party obligated to render performance which reduce, delay, prevent or render unreasonable the manufacture, shipment, taking delivery or the consumption, release the parties from the obligation to make or take delivery, respectively, for the duration of such interruptions. If, as a consequence of such an interruption, making and/or taking delivery is delayed by more than six weeks, either party shall be entitled to withdraw or to terminate any Longer Termed Contract.

2.

If Seller's supply sources are stopped either for a given period of time or for good, Seller shall not be obligated to cover requirements by buying from upstream suppliers. In such an event, Seller shall be entitled to distribute the products available by taking into account its in-house requirements.

3.

Acts of God by Seller's suppliers shall be considered as acts of God by Seller.

VII. Dispatch

1.

Seller reserves the right to choose the route and mode of dispatch. Additional costs caused by Buyer's special wishes with regard to shipping will be for the latter's account. The same applies for increases in freight charges, additional rerouting costs, if any, storage costs etc. occurring after the contract date, unless delivery free of charge to Buyer has been agreed.

2.

The risk of the products perishing, being lost or damaged shall pass to Buyer with their dispatch or, in the event of Buyer collecting the consignment itself, from the time the products are ready for pick-up.

VIII. Retention of Title

1.

Seller retains title and ownership of the products delivered until all payments due from the business relationship with Buyer have been received.

2.

If Buyer is in breach of contract, in particular in the event of a default in payment, Seller shall be entitled to take back the products delivered. If Seller takes back the products, this does not constitute a withdrawal from the contract unless Seller has expressly stated so prior in writing. After taking back the products delivered and after giving a warning that they will be realized, Seller shall then be authorized to utilize them. The proceeds from such utilization are to be set off against Buyer's liabilities - less an appropriate amount of costs relative to such utilization.

3.

Buyer is obligated to handle the retained products with care and without limitation to take out at its own expense an insurance reinstatement policy on said products covering fire, water and burglary. Buyer shall implement any maintenance and inspection work in due time and at its own expense.

4.

Buyer shall be obligated to promptly inform Seller in writing of any attachments or other infringements by third parties. Buyer shall be liable to Seller for court costs and other expenses relative to an action that might be required for the enforcement of Seller's rights.

5.

Buyer shall be entitled to resell the retained products within the ordinary course of business, but he already now assigns to Seller any receivables in the measure of the final invoice amount (including VAT) accruing to him from its customers or third parties from the resale, independent of whether the products were sold prior to or following processing.

Buyer shall have the authority to collect such receivables even after the assignment thereof. However, Seller is authorized to collect the receivables itself if Buyer no longer meets its obligations concerning payment of the collected receivables, defaults on its payments, applies for the opening of an insolvency proceeding (or such a proceeding has been applied for by a third party) or stops its payments. In such cases Seller can demand that Buyer reveal the assigned receivables and the names of the debtors, provide all data necessary for collection surrender all pertinent documents and inform the creditors (third parties) of the assignment.

6.

Buyer and Seller agree that Seller acquires a pledge on the receivables in the measure of the final amount (including VAT) "of its receivables" which accrue to Buyer from the resale to its customers or third parties in accordance with Sec. 4 and likewise independent of whether the product delivered was resold prior to or following processing. Seller

shall not be entitled to notify the pledging to the customers or third parties unless Buyer fails to meet its obligations concerning payments from the proceeds, defaults on its payments, an application is filed for the opening of an insolvency proceeding against him, or if payments are stopped. In these cases the Seller can also demand that Buyer reveal the pledged receivables and the names of the debtors, provide all data necessary for collection, surrender all pertinent documents and inform the debtors (third parties) of the pledging.

7. Processing or reconstruction by Buyer of the product delivered invariably occurs for Seller. If the product delivered is processed with other products not belonging to Seller, the latter acquires co-ownership of the new product in proportion of the value of the item delivered to the other processed product at the time of processing. As for the new product created as a processing result the same applies as to the product delivered subject to retention of title.

8. In order to secure Seller's claims against him, Buyer also assigns to Seller any claims accruing to him from a third party through the union of a movable with an immovable.

9. Seller undertakes, at the request of Buyer, to release the securities to which he is entitled also to the extent that the value of its securities exceeds the receivables to be safeguarded by more than 20 %; the selection of securities for release shall be incumbent on Seller.

IX. Warranties

1. Seller warrants solely that the products comply with Seller's specifications. Any further explicit or implicit warranties, including but not limited to merchantability of the products or usage for specific applications of Buyer, are explicitly excluded.

2. A prerequisite for Buyer's warranty claims is that he - also in the case of contracts for work and the performance of work - examines the products and immediately duly complains about any defects. Open defects must be reported within 5 working days from delivery date, hidden defects must be reported within 5 working days upon notice of such defect. Complaints have to be made in writing and by clearly specifying the defects. Defects that are not reported during these time frames are deemed to be accepted by Buyer.

3. Barring an express written agreement to the contrary, any data as to weight, dimensions and technical specifications in drawings, leaflets, illustrations and other documents shall be noncommittal and in particular not constitute any warranty or guarantee for specific characteristics. Seller retains the right to amend and/or correct such data at any time for the future. Buyer shall be obliged to check in advance of conclusion of a contract with Seller whether such data is still valid.

4. In the event of a defect in a product that is attributable to the Seller, it is at Seller's discretion to either remedy such defect or to make a substitute delivery. The remedying of defects outside Seller's factory or warehouse can only be demanded if this is technically feasible and if Buyer cannot reasonably be expected to return (at Seller's expense) the defective product or performance. Buyer has to use the least expensive method of shipment.

5. If defects are remedied abroad, Buyer shall have to reimburse Seller for any additional costs incurred relative thereto.

6. If Seller is not prepared or unable to arrange for subsequent fulfillment and, without limitation, if there is an undue delay beyond an appropriate period of time for reasons within the control of Seller, or if such subsequent fulfillment fails in some other way, Buyer may, at its discretion, either withdraw from the contract or demand a reduction in price.

7. Unless otherwise provided for in cif. X., any further claims on the part of Buyer - for whatever legal reasons - are excluded.

8. Unless agreed upon otherwise, a warranty period of one year, calculated from the transfer of risk, shall be applicable. This period of time is a limitation period and applies to all claims where Seller is not fully liable according to cif. X.

X. Liability

1. Irrespective of the cause of action, Seller is only liable for damages caused by Seller, its employees, subcontractors or agents due to willful misconduct, gross negligence or for simple negligence in case of a violation of an essential contractual obligations (*Kardinalpflicht*). If Seller is held liable for simple negligence, Seller's liability is limited to the typical damages that were reasonably foreseeable at the time of the conclusion of the contract.

2. Essential contractual obligations are obligations, the breach of which would jeopardize the purpose of the contract since the Buyer would be deprived from such rights he is entitled to according to the contract.

3. Seller is not liable for any further losses or damages including but not limited to any indirect or consequential loss or damage (whether foreseen, foreseeable, known or otherwise).

4. Seller's liability for any damages caused by breach of a specific guarantee (*Garantie / Zusicherung*), for damages to be compensated under the Product Liability Act or any other mandatory liability and for damages due to loss of life or personal/bodily injury remain unaffected.

5. For the avoidance of doubt, Seller provides specific guarantees exclusively in dedicated documents, which need to be signed by the general management of Seller in order to be valid. If other documents refer to a „guarantee“, these references seek to describe the quality only and may not be interpreted as a specific guarantee (*Garantie / Zusicherung*) in the meaning of the law.

6. Cif. X. applies accordingly to damages in connection with warranties and delayed delivery.

XI. Technical Advice, Use, and Processing

Seller's advice in matters of application engineering rendered verbally, in writing or by means of tests shall occur to the best of its knowledge and is related to the ordinary use of the product only.

Unless otherwise agreed upon in writing, such advice is to be regarded as noncommittal, also with regard to any industrial property rights of third parties and does not release the Buyer from examining the products delivered by Seller as to their suitability for the intended processes and purposes.

Application, use and processing of the products are beyond the control of the Seller and are therefore within the exclusive responsibility of Buyer.

XII. Trademarks; Industrial Property Rights

1.

It is inadmissible to offer substitutes for Seller's products by making reference to such products or altering such products, or in price lists and similar business papers to mention Seller's product names, whether protected or not; in connection with the word "substitute" or to compare such names with designations of substitute products.

2.

It is also inadmissible, when using Seller's products in manufacturing or processing, to use Seller's product names, in particular its trademark, on such products or the packaging or in the pertinent printed matter and promotional material, in particular by way of specification of components, without Seller's prior consent. The delivery of materials under a trademark does not imply the consent to use this trademark for the products manufactured therefrom.

3.

Seller reserves its right of ownership and copyright with respect to any illustrations, drawings, calculations and other documents; these papers must not be made accessible to third parties; the transfer thereof to third parties requires the express written approval of Seller.

4.

Seller does not warrant that the product is unencumbered with industrial property rights outside the Federal Republic of Germany, unless otherwise agreed upon in writing.

XIII. Adherence to Statutory and Environmental Regulations

1.

Buyer hereby confirms that it is aware of its obligations under the REACH regulation and agrees to fulfill these obligations. These obligations may include in particular, but are not limited to, Buyer's obligation to comply with all requirements applicable to downstream users as specified in Title IV and V of the REACH regulation. Buyer acknowledges that it has sole responsibility to provide Seller with any new information on dangerous properties of substances, preparations or articles of Product ("Substances") and in case of an identified use, to provide Seller with any other information that might call into question the appropriateness of the risk management measures identified in Seller's safety data sheets.

In addition to its other rights and remedies hereunder and under applicable laws, in the event that Buyer fails to comply with its obligations under the REACH regulation, Seller, upon its sole discretion, may terminate this Agreement forthwith by giving written notice to Buyer, and/or withdraw from any individual purchase orders which have been placed but have not yet been delivered by Seller and cease supplying Buyer with Products immediately upon Seller's notification of Buyer's non-compliance.

2.

Seller will provide to Buyer Material Safety Data Sheets. Buyer shall be obliged to make them accessible to all persons who need this information according to legal requirements. Buyer shall be obliged to take adequate measures to prevent risks described in these Material Safety Data Sheets. Buyer shall be further obligated to dispose any waste or residues resulting from the use of the products delivered in accordance with the applicable law and regulations. Buyer shall also be obligated to dispose any packaging material in accordance with the applicable law and regulations.

XIV. Place of Performance and Place of Jurisdiction; Severability

1.

Place of performance for the delivery shall be the respective production plant of Seller; place of performance for payments shall be Geesthacht.

2.

German Law applies; the application of the UN purchase laws is expressly excluded.

3.

Place of jurisdiction shall be Cologne. Either party shall, moreover, be entitled to assert claims at the respective other party's general place of jurisdiction.

4.

Should individual provisions hereof become invalid, in whole or in part or should a contractual gap become apparent, the validity of the remaining provisions or parts thereof shall remain unaffected. The parties shall have to replace an invalid provision or shall have to fill the gap with another provision corresponding as much as possible to the economic intent of the invalid provision.