



EUROPEAN SINGLE ASSESSMENT DOCUMENT (ESAD II)

MEMORANDUM OF UNDERSTANDING

between

The European Chemical Industry Council, Cefic, AISBL, Avenue E Van Nieuwenhuysse, 4, 1160 Brussels, Belgium, duly represented by Mr Alain Perroy, Director General (hereinafter Cefic)

and

The European Association of Chemical Distributors, FECC, AISBL, Chaussée de Wavre, 1519, B-1160 Brussels, Belgium, duly represented by Mr Hendrik Abma, Director General (hereinafter FECC)

On 15 October 2004, Cefic and FECC entered into a Memorandum of Understanding concerning ESAD II. For the avoidance of any possible misunderstanding, FECC and Cefic have agreed to modify and execute again the said Memorandum of Understanding. Consequently, the following points have been agreed :

1. The SQAS Distributor/ESAD II (hereinafter ESAD II) module has been developed jointly by Cefic and FECC for use as a third party assessment of distributors offering simultaneously:
 - a measurement of the commitment of distributors to their Responsible Care programme,
 - a system to evaluate the safety and environmental performance of distributors in an objective manner by uniform assessments carried out by independent assessors using a standard questionnaire.

ESAD II is based on the same founding principles as those developed by Cefic for all SQAS modules: objectivity, neutrality, transparency and open access to the system for users.

2. The shared objective of FECC and Cefic is to enhance Responsible Care throughout the chemical supply chain as set out in the Cefic/FECC Responsible Care Agreement dated 1 June 1999.

Therefore, FECC and Cefic will encourage their members, in the spirit of Responsible Care, to use ESADII or any similar assessment system. Cefic will

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also encourage its members to work with distributors who are members of a Responsible Care programme. For the avoidance of any doubt, it is noted that the choice of whether to use ESADII and/or any other assessment system, and the choice of distributors will be that of each Cefic member acting independently and on its own.

3. Cefic will enter into contractual relationship with Pharox to provide the technical-IT support regarding ESAD II.

In case of difficulty arising between Cefic and Pharox under any of their contractual terms, Cefic will forthwith inform FECC and the parties will discuss how to resolve the situation.

4. An ESAD II Service Group for manufacturers companies will be founded and administered by Cefic.

5. A Steering Committee with representatives from FECC and Cefic will jointly and equally own the Intellectual Property Rights and share the control of ESAD II operations and its future development including

- The management, maintenance and review of the protocol, the questionnaire and the operating rules.
- The supervision of the principles governing the database.
- The training, evaluation, follow-up and administration of the assessors' pool.
- Changes to ESAD II will always be subject to formal agreement by both parties.

6. Cefic and FECC will communicate regularly to the Steering Committee their respective implementation plans, progress and any feed back received from accredited assessors, distributors, manufacturers and authorities on the operation, implementation and application of the system. For the avoidance of doubt, in communicating with the Steering Committee, neither FECC, nor Cefic will divulge any commercially sensitive information to each other or to the Steering Committee. The Steering Committee will review the feedback at least annually, and will make use of the resources of Cefic and FECC to ensure ongoing compliance with competition law developments

7. Each distributor will own its own assessment results and control the access of manufacturers companies to these results in the database.

8. The costs of operating ESAD-II will be divided as follows:

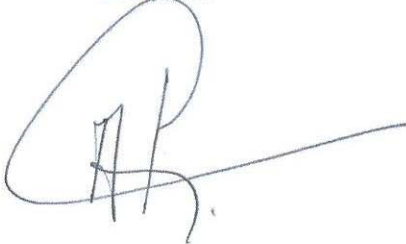
- Distributor companies will pay the costs of third party assessment.
- Distributor companies who are not members of FECC will be asked to pay a one-off fee (at the time of their first assessment) to FECC for FECC

services in the development and the implementation of the ESAD II module. Manufacturer companies will apply the same criteria to these distributors as they apply to their Responsible Care distributors.

- Manufacturer companies who participate in the ESAD II Service Group will pay for the costs of database development, administration (management and maintenance) and the training of the third party assessors.
9. FECC and Cefic will promote the use of the joint Cefic – FECC Guidelines on sharing product responsibilities.
 10. Cefic and FECC are respectively responsible to ensure compliance of ESAD II with regard to competition law, for their respective sector.
 11. This Memorandum of Understanding is governed by Belgian Law.

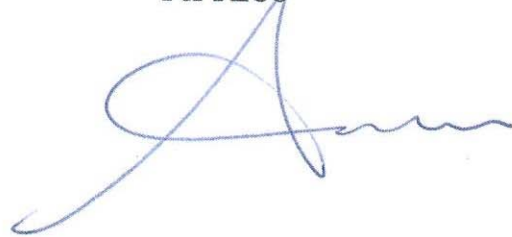
DONE IN TWO ORIGINALS ON 20 JANUARY 2006, EACH PARTY HAVING RECEIVED ITS OWN ORIGINAL

For Cefic

A handwritten signature in blue ink, consisting of a large, stylized initial 'P' followed by a horizontal line extending to the right.

A Perroy

For FECC

A handwritten signature in blue ink, featuring a large, stylized initial 'A' followed by a horizontal line extending to the right.

H. Abma