

General Terms and Conditions of Purchase of PolymerTechnik Ortrand GmbH, Ortrand

I. Scope of validity

1. These general terms and conditions of purchase shall exclusively apply to all present and future commercial orders of PolymerTechnik Ortrand GmbH (hereinafter called "PTO"). The applicability of terms and conditions provided by third parties and/or contractors is expressly excluded. Other terms and conditions shall neither be accepted tacitly, by conduct nor impliedly by the acceptance of goods/ performance of services.

2. If agreeing on special terms and conditions, these general terms and conditions shall be considered as secondary and supplementary.

3. Alterations and/or additions to these general terms and conditions of purchase and to orders based on these terms and conditions must be made in writing, accepted and signed by PTO. This applies equally to a waiver of the written form requirement.

II. Offers / Orders

1. The preparation and submission of offers by the contractor is free of charge for PTO and is not binding until written order of PTO ("order").

2. The order confirmation shall be made within ten (10) working days by the contractor. On expiry of this period, the order is deemed accepted by the contractor. Any deviation from the order of PTO requires PTO's prior written consent.

3. PTO may change technical details up to four (4) weeks prior to the delivery date. If first or type samples are made available to PTO, the serial production may only begin following PTO's express and written release.

III. Prices

1. Unless agreed separately, overall or individual prices are fixed prices and are valid until the end of order settlement. Subsequent increases for whatever reason are expressly prohibited.

2. Prices are stated as delivered at place (DAP in accordance with INCOTERMS 2010) including freight, packaging and ancillary costs. If non-paid delivery shall be separately agreed by the parties, then PTO shall only assume the most favorable freight costs, unless PTO has stipulated a special type of shipment.

3. If, as an exception, pricing schedules have been agreed on in a foreign currency, then the agreed price shall be based on the conversion rate of the EURO to the respective foreign currency quoted in Germany on the day of order confirmation. If the exchange rate changes prior to the payment due date, either party shall be allowed to demand corresponding price adjustments.

IV. Payment / Retention of title

1. The contractor shall send invoices to PTO after the complete fulfillment of the contractor's delivery obligations.

2. The invoice shall be settled either within fourteen (14) days with a three percent (3%) cash discount or within thirty (30) days without discount. The period fixed for payments commences either upon receipt of the invoice, receipt of the goods or acceptance of performance by PTO, whichever is later. If documentation or similar documents (collectively "Documents") form part of the performance of the order, then the payment periods shall only commence after the contractual submission of the Documents to PTO. In case the parties agreed on partial delivery/consignments, the payment period shall commence at the agreed date agreed by PTO.

3. If down payments are agreed, PTO is entitled to - at the cost and expense of the contractor - demand the provision of an unconditional and irrevocable bank guarantee, of the same amount as to the down payments. The guarantee will be returned, after the complete fulfillment of the contractual obligations by the contractor.

4. Payments are either to be made by cheque or by bank/post bank remittance by telegraphic transfer at PTO's choice, at the cost and expense of the contractor. The payment is made when the cheque has been sent by post or the day the bank/post bank remittance has been instructed by PTO.

5. The contractor is not permitted to set-off any amounts against amounts receivable or to exercise any lien unless the claim with which the contractor is setting-off or exercising a lien is uncontested or has been established by a final court judgement. The contractor may only assign any receivables from the entire business relationship to third parties with PTO's prior express written approval.

6. Any possible reservation of proprietary rights by the contractor will be acknowledged on the condition that the proprietary rights / title of the goods/ performances pass to PTO upon payment. Reserve of title in all forms shall be expressly excluded.

V. Shipment / Delivery

1. Unless stipulated otherwise, the shipment shall be made to the delivery address stated in the order.

2. Partial deliveries and the transfer of the orders to third parties (sub-suppliers, subcontractors) are only admissible after prior written approval by PTO. Any additional costs arising from this shall be borne by the contractor.

3. The contractor shall bear the risk of accidental loss and/or accidental damage (especially transport risk) according to the agreed INCOTERMS 2010 clause DAP.

4. All goods shall be properly and adequately packed and labeled at no cost to PTO. The shipment shall be carried out with the necessary diligence required for the handling of the goods. Each delivery shall contain a delivery note with the PTO's order number, a packing slip, item number and such other documents / information deemed necessary by PTO.

General Terms and Conditions of Purchase of PolymerTechnik Ortrand GmbH, Ortrand

VI. Delivery dates / Force Majeure

1. Agreed delivery dates and periods are binding. PTO shall be notified immediately of delivery delays. This does not, however, release the contractor from claims for damage compensation to which PTO may be entitled.

2. In case of non-fulfillment of the order or performance, PTO (without prejudice to any other rights and remedies) shall be entitled to a compensation of five percent (5%) of the total gross order value, in case of delivery delay zero point five percent (0.5%) of the total gross order value per calendar week, but not more than five percent (5%) maximum of the total gross order value. Further damage compensation claims by PTO shall not be excluded by above provision. The contractor is equally entitled to provide evidence that no damage or a lesser damage has been incurred than the one generally asserted.

3. Force majeure and other events which are beyond PTO's control and which make it impossible or significantly more difficult for PTO to accept or use the goods / performances, release PTO from its obligation to accept the goods / performance and to pay for the duration of these hindrances.

VII. Long Term Supplier Declaration

1. On request of PTO the contractor shall issue a Long Term Supplier Declaration according to VO (EG) 1207/2001 (if applicable) concerning the characteristics of origin of the sold goods, and - at PTO's demand the contractor shall forthwith make the investigation of this evidence of origin possible by the customs administration and shall issue the necessary information thereto and provide any possibly required confirmations at the cost and expense of the contractor.

2. The contractor shall compensate the damage which occurs if the origin

stated by the contractor is inaccurate and/or is not acknowledged by the responsible authority as a result of erroneous certification or for lack of subsequent investigation possibilities. However, this does not apply, if the contractor proves that he is not at any fault whatsoever.

3. The contractor shall provide all documents and data which are necessary according to the respective customs provisions and/or any other relevant provisions.

VIII. Warranty / liability / insurance

1. If the goods/ performances are defective or if the contractor violates any other duties, PTO may exercise all the statutory rights and entitlements without restriction.

The contractor warrants for all goods/ performances worldwide that the goods / performances comply with the demands made, conform to the quality, standards, description, specifications and/or reference quoted in the order; are defect free, and are qualified for all intended purposes of PTO.

In the sole opinion of PTO, if work safety is endangered and/or to avoid damages to PTO or to third parties, PTO shall be entitled to remove defects and remedy damages or undertake covering purchases at the sole expense and cost of the contractor without prior consultation with the contractor. The contractor shall bear all costs in conjunction with the delivery of the defective goods/ performances.

2. The warranty period shall be 30 months commencing from processing / commissioning of the goods/ performances or 36 months after the delivery, whichever is later. If a defect occurs within the first 12 months, it shall be assumed that the defect had already existed at the time of passing of risk.

3. Notwithstanding PTO's claims from section VIII(1) above, the contractor herewith assigns to PTO all claims to which the contractor is entitled to

against the contractor's suppliers/sub-contractors due to a defect arising to PTO or due to a deviation from a guaranteed characteristic discovered by PTO. The contractor shall hand over to PTO all documents necessary to assert such claims. If PTO does not assert these assigned rights, then the contractor may demand their reassignment.

4. The contractor shall indemnify PTO against all third-party claims - including but not limited to claims due to product liability - that are the result of the defective nature of the contractor's partial performances on PTO's product (especially the basic or raw materials and partial products), or that result from any breaches of duties of the contractor.

5. For the duration of the business relation, the contractor shall provide a sufficient insurance coverage in terms of a business and product liability insurance, and coverage for recall costs at the amount of at least 2 Mio. € for each insurance case / 4 Mio. € per insurance year in case of special demand. Upon request, the contractor shall provide an insurance certificate.

IX. Manufacturing means (especially tools) and raw materials

1. Tools, models, data, drawings and other documents of all kinds ("manufacturing means") provided by PTO or which were manufactured for PTO shall be used exclusively to undertake PTO's orders and may not be wholly or partly made accessible to third parties without PTO's prior written approval. They shall be sent back to PTO immediately on demand, or at the latest two years following their last implementation. Any lien shall be excluded.

2. Manufacturing means and raw materials provided by PTO remain property of PTO. The manufacture, reworking or processing of such manufacturing means undertaken by the contractor in the fulfillment of PTO's order shall be done for PTO as manufacturer and PTO shall acquire

General Terms and Conditions of Purchase of PolymerTechnik Ortrand GmbH, Ortrand

the title thereto. Manufacturing means shall be stored separately from any other property belonging to the contractor or third party, maintained regularly, insured against loss and damage, labeled permanently, clearly identified and marked as the property of PTO.

X. Quality / control

1. On completion of the goods/ performances, the contractor shall comply with the state-of-the-art in science and technique and shall implement and maintain a quality safety system according to ISO 9001 or a similar system certified by an accredited authority. Further, the contractor shall observe all relevant quality standards and rules, quality assurance measures provided by PTO, and all statutory law.

2. Prior to the confirmation of an order, the contractor shall analyze the specifications, drawings, and so on provided by PTO and check their completeness and correctness. The contractor shall notify any discrepancy / incompetency to PTO.

3. The contractor shall inspect the goods/ scrutinize the performances extensively prior to delivery of the goods or completion of the performance. Upon receipt of goods/ performances, PTO will check the delivery for identity, amount, and obvious transport damages. Discovered defects and damages will be reported within a period of 14 days after receipt of goods/ performances by PTO and - in case of a third-party-deal - within 14 days after receipt of goods/ performances at PTO's customer. The contractor waives the right to objection due to late notice of defects. However, the payment for the goods/ performances shall mean no acceptance of the goods/ performances; a checking shall mean no waiver of any of PTO's rights.

4. As far as goods/ performances show any defects concerning the design and quality or are delivered without the required documents, e.g. in the absence of delivery notes, first

sample reports as well as in the absence of product labeling and quality control certificates, PTO has the right to charge a lump sum in the amount of EURO 100, - in every case of a defect.

5. PTO shall have the right to audit the contractor's premises at any time after prior announcement; the contractor shall assure PTO the same right with his sub-suppliers.

XI. Intellectual property rights

1. The contractor warrants that the use of the goods/ performances shall not infringe any domestic and/ or foreign patents, utility models, copyrights, registered design, intellectual property right or other third party rights.

2. The contractor shall fully indemnify and hold PTO harmless against any and all claims, damages and costs (including without limitation legal fees and costs resulting out of lawsuits) in respect of any actual or alleged infringement of rights named in section XI(1).

3. As far as the contractor has any intellectual property rights with regard to the goods/ performances, the contractor shall grant PTO an unconditional, unlimited, irrevocable and free of charge right to including but not limited to use and maintain the goods, provide services, and procure spare parts.

4. If research and development of the contractor forms part of the order, the costs are either covered by a single payment or they are compensated by the piece / unit price and the title hereto shall pass to PTO. The contractor shall grant PTO an unconditional, unlimited, irrevocable and free of charge license with the right to grant sub-licenses regarding all of the contractor's intellectual property rights which come to existence due to the research and development and which PTO will need for its own or third party's use.

5. In case of research and development of the contractor, an ac-

ceptance by PTO shall not release the contractor from his product and/or construction responsibility.

XII. Confidentiality

The contractor shall keep in strict confidence all information deriving from the business relationship. The contractor shall use the information provided by PTO exclusively for the purpose of each order and not for his own purposes unless PTO shall have given its prior written approval. Information which the contractor legally received from third parties as well as freely accessible information shall not be part of the confidential obligation.

XIII. Hübner Code of Conduct

With each and every order the Hübner Code of Conduct (see at www.hubner-group.com) forms an integral part of the contract between PTO and the contractor.

The contractor shall comply with the principles of the Hübner Code of Conduct and shall pass on these principles accordingly in his own supply chain.

XIV. Security in the Supply Chain

1. If the contractor is a certified Authorized Economic Operator (AEO), the contractor shall prove this by submitting a copy of the official certification to PTO.

2. Should the contractor not (yet) be a certified AEO, then the contractor has the obligation to ensure continuous compliance with the requirements specified in the Security Declaration (retrievable at www.hubner-group.com) by the contractor's company and immediately send such Security Declaration to PTO with a legally binding signature. If the contractor is unable to meet, wholly or partly, the requirements stated in the Security Declaration, the contractor shall immediately inform PTO about this in writing.

General Terms and Conditions of Purchase of PolymerTechnik Ortrand GmbH, Ortrand

3. If the certifications/declarations required in accordance with the preceding sections XIV(1) and XIV(2) are yet to be provided to PTO, the contractor shall forward the same within two weeks upon receipt of an order from PTO. Should the contractor fail to do so, PTO is entitled to rescind from the order within two (2) weeks thereafter.

4. Should the contractor, at any point in time, lose the certification of an AEO or is not, or no longer, able to meet the requirements warranted in the Security Declaration, the contractor shall immediately inform PTO in writing. The loss of the status as AEO, an incorrect Security Declaration or the subsequent non-compliance with the requirements specified in the Security Declaration constitute a cause for termination without notice by PTO. Further, the contractor shall bear all expenses and damages incurred by PTO as a result of the loss of the status as AEO, the incorrectness of the Security Declaration or subsequent non-compliance with the requirements stated therein.

XV. Bankruptcy and liquidation

1. If the contractor applies for liquidation or bankruptcy proceedings or if liquidation or bankruptcy proceedings are initiated against the contractor or shall be declined in the absence of legal estate, and the contractor is not able to comply with his contractual duties due to these reasons, the contractor shall immediately inform PTO hereof. For the occurrence of each of these cases, the contractor grants PTO the right to manufacture the goods/ performances or to have them manufactured by a third party.

2. Further, the contractor shall have to return all manufacturing means upon first demand by PTO.

3. In such event, PTO has the right to terminate the business relation with immediate effect and the contractor shall not have any claims for compensation from PTO.

XVI. Concluding provisions

1. Place of performance for all goods/ performances is the point of reception specified by PTO, or Ortrand if such a place is not prescribed.

2. All changes and amendments of technical and commercial specifications require written form.

3. Place of jurisdiction is the registered office of PTO's headquarters (Ortrand) and additionally, as the case may be, the domicile of a branch dependency of PTO registered in the commercial register which undertook the contract conclusion. However, PTO shall be entitled to bring a lawsuit against the contractor at the court competent for his registered office.

4. All legal relations between PTO and the contractor are subject to the laws of the Federal Republic of Germany with the exception of the uniform UN Convention on Contracts for the International Sale of Goods (CISG).

5. Any part of the contract or of these general conditions and terms of purchase which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, prohibition or unenforceability without invalidating the remaining terms and conditions hereof. An effective provision which complies economically with the intent of PTO, shall to the most possible extent replace the void part. The same applies in case of a loophole.

6. In cases of doubt regarding the wording or translation, the original German language version of these General Terms and Conditions shall prevail.