

HAHN KUNSTSTOFFE GMBH

Limited Conditions of Sale

Scope

The General Terms und Conditions given below only apply to business transactions between business establishments, traders, legal entities of public law and separate estates subject to public law.

I. General Statements

1. Purchase orders are only binding after the supplier's confirmation of order. Modifications and additions are submitted in written form. All offers are without engagement unless referred to as firm offers.
2. In the case of on-going business relationships, these conditions also apply to future transactions in the course of which they are not explicitly mentioned, provided that they were forwarded to the buyer in connection with an earlier order confirmed by the supplier.
3. Unless explicitly accepted by the supplier, the buyer's terms of business do not apply.
4. The customer is responsible for the complete, correct and timely submission of documentation to be procured or compiled by him for the execution of an order.
5. Should production capacities be held ready at the instigation of the buyer and execution of an order be impossible or delayed for reasons the buyer is responsible for, the buyer is liable for the damage resulting thereof.
6. No liability is accepted for printing errors.
7. Should individual provisions be or become ineffective, the remaining ones will not be affected thereof.

II. Prices

1. Prices are ex works, not including packaging, VAT, freight, customs, and import fees, unless something specific has been agreed on.
2. Prices have been calculated on condition that price proportions remain stable. In the case of a significant increase in costs (cost of materials, wages, production cost, etc.) after acceptance of an order by the buyer or after confirmation of order before the actual date of delivery, supplier and buyer will open negotiations and agree on realigning prices including the portion of costs resulting from molds.
3. Should it be agreed on that prices depend on the weight of items, the final price will result from the weight of released samples.
4. If construction and assembly were incurred and nothing else was stipulated, the buyer will bear all common incidental costs such as travel expenses, cost of transport of tools and personal luggage as well as accommodation allowances, etc. in addition to the payment that was agreed upon.
5. In the case of new orders (= follow-up orders) the supplier is not bound to previous prices.

III. Supply and Purchase Commitment

1. Place of fulfillment of the delivery is the plant, the entrepot or the company acting on behalf of the supplier, unless otherwise agreed. Every delivery is executed at the buyer's risk and expense.
2. As a matter of principle, delivery times mentioned in the offer or confirmation of order are without commitment, unless fixed delivery times were expressly stipulated and explicitly confirmed in the confirmation of order. On principle, these times begin after receipt of the complete documentation, information and down payment, and the timely provision of materials required for the execution of the order. Unless in the confirmation of order explicitly otherwise agreed, delivery times refer to the provision of the goods for disposal or shipping at the plant or entrepot. At the announcement of readiness for

shipment delivery deadlines are considered to be met, if the shipment is delayed or impossible through no fault of the supplier. For the rest, the supplier will strive towards execution of orders in the order of their arrival, taking into consideration, however, the priority of individual cases as identified by the supplier.

3. Should a delivery date that was agreed on not be met due to actual fault of the supplier, the buyer is entitled to demand compensation or withdraw from the contract after the expiration of an adequate period of grace excluding further claims, if the supplier did not commit a deliberate or grossly negligent act. Compensation is limited to a maximum of 5 % of that part of the delivery that was not executed according to contract. Cancellation of the contract is excluded if the buyer himself is in default of acceptance.

4. If, after confirmation of order, the indication arises that the buyer is insolvent or only partly solvent or that his credit worthiness has considerably deteriorated, the supplier has the right to match payment with delivery unless the buyer furnishes ample security in advance.

The obligation to deliver rests as long as the buyer fails to meet a liability due for payment to the supplier.

5. Adequate partial deliveries as well as reasonable deviations of up to 10 % from the ordered amounts are permitted.

6. In the case of on call orders without agreements on term, batch size and commissioning date the supplier can demand binding specifications no later than three months after the confirmation of order. If the buyer does not comply with this demand within three weeks, the supplier is authorized to give an additional two week respite and, after that time, to demand at his own discretion immediate step by step delivery against payment, to withdraw from the contract and/or to claim damages.

7. If the buyer does not meet his obligation to accept delivery, the supplier, irrespective of other rights, is not bound to the provisions of self-help sale, but can instead sell the delivery items in the open market after prior notification of the buyer.

8. In view of the utilization of recycled materials, the supplier has the right to use raw materials deviating from the confirmation of order and the samples, as long as their application does not considerably impair the serviceability of the goods. This applies especially to color and surface impression of the material.

9. Incidents caused by Acts of God authorize the supplier to postpone delivery for the duration of the interference and an appropriate start-up period, or, as a result of the part not yet fulfilled, to withdraw from the contract entirely or in part. Acts of God amount to strike, lockout or unpredictable, inevitable circumstances, e.g. operational disturbances, which render the timely delivery impossible for the supplier, his reasonable efforts notwithstanding; the supplier is obliged to submit proof accordingly. This applies also, if afore mentioned interferences occur during a delay or at the company of a subcontractor or component supplier.

The buyer can ask the supplier to declare within 2 weeks whether he wants to withdraw or deliver within a reasonable period of grace. In the case of no response, the buyer can withdraw from the part of the contract that was not fulfilled.

The supplier will immediately inform the buyer of any incident caused by an Act of God as explained above. He is obliged to keep adverse effects to the buyer as small as possible, if necessary, by turning over the molds for the duration of the obstruction.

10. As far as unexpected and extraordinary increases in costs (20 % and more) occur, the supplier can withdraw from the contract, if no agreement according to II.2. could be reached between the parties. In return, the buyer also has the right to withdraw, if corresponding decreases in costs occur after the confirmation of order and the supplier, with regard to this, is not willing to recalculate the prices.

11. The buyer is obliged to examine and verify promptly whether the goods are without fault and have been completely placed at his disposal. He must give immediate notice of possible visible defects.

12. Contractual penalties will only take effect on the basis of an explicit written agreement entered in a special document.

13. Packaging material placed into circulation by the supplier will be taken back at the production site or entrepot within the scope of legal obligations, provided that it has been emptied out completely, is not soiled and delivered sorted at the customer's expense.

IV. Packaging, Dispatch And Passage of Risk

1. Unless otherwise agreed the supplier chooses packaging, mode of dispatch and carrier.
2. The risk of destruction or deterioration of dispatched goods passes to the buyer as soon as the goods leave the delivering plant or entrepot, even if "transport at no charge to the customer" was agreed on. In the event of delays in dispatch caused by the buyer, risk passes at the time of notification of readiness for dispatch. In these cases the buyer is obliged to bear the storage costs.
3. If delivery at no charge to the customer is agreed on, suitable access routes and immediate unloading by the buyer are mandatory, otherwise he will be liable for accrued damage and additional expenses.
4. At the buyer's written request the goods will be insured against risks specified by the buyer and at his expense.

V. Security Interests

1. The supplier holds property of the delivered merchandise until all claims by the supplier against the buyer have been met, even if the purchase price for specially named receivables was paid. During outstanding accounts the conditional property of the goods (conditional goods) serves as security for the supplier's invoice. If in connection with the payment of the purchase price a liability of the supplier under a bill of exchange is established, retention of title to ownership does not expire before the payment of the bill by the buyer as drawee.
2. Handling and processing by the buyer is done by order of the supplier to the exclusion of acquisition of ownership according to § 950, German Civil Code; at the ratio of the net invoice value of his goods to the net invoice value of the goods to be handled and processed the supplier becomes co-proprietor of the resulting matter which as conditional matter provides a surety for the supplier's claims according to paragraph 1.
3. If the goods are processed (connected/mixed) by the buyer with other goods not belonging to the supplier, the regulations of §§ 947, 948 German Civil Code apply, as a consequence of which the supplier's share of co-ownership in the new matter now functions as conditional goods in terms of these conditions.
4. The buyer is only authorized to resell the conditional goods in ordinary business transactions and under the condition that he agrees with his customers on retention of ownership according to paragraphs 1 to 3. The buyer is not entitled to other dispositions, especially pledging or transfer of ownership by way of security.
5. In the case of resale, the buyer by now transfers to the supplier all receivables developing from the resale and other legitimate claims against his customers with all incidental rights until settlement of the supplier's total claims. At the supplier's request the buyer is obliged to provide the supplier immediately with all information and to hand over documents necessary for asserting the supplier's rights towards the buyer's customers.
6. If the conditional goods are resold by the buyer according to paragraphs 2 and/or 3 together with other goods not belonging to the supplier, the assignment of the purchase money claim according to paragraph 5 only applies to the amount of the invoice value of the supplier's conditional goods.
7. If the value of existing securities for the supplier surmounts his total claims in excess of 20 %, the supplier is in this respect obliged to unblock securities of his own choice at the buyer's request.
8. The supplier must be informed immediately of third party attachments or confiscation of the conditional goods. In either case, resulting intervention costs are for the buyer's account, unless borne by a third party.
9. If the supplier acts on aforesaid conditions and avails himself of his reservation of ownership by redemption of the conditional goods, he is entitled to sell the goods in the open market or to auction them off. Redemption of the conditional goods is effected at the value of the generated proceeds not exceeding, however, the delivery prices agreed upon. Further claims for damages, especially lost profits, reserved.

VI. Redhibitory Defects

1. All those parts and services which show a defect within the limitation period must be reworked, replaced or newly rendered at the supplier's choice, provided that the cause of defect was already

present at the time of passage of risk. If substitute deliveries or subsequent fulfillment fail or require a disproportionate effort, only abatement of the purchase price can be demanded after installation.

2. Further claims of the buyer, especially claims for damages in place of performance and claims for compensation for other direct or indirect damage including accompanying or consequential loss, no matter what the legal reason are excluded. This does not apply, if a legal or redhibitory defect was maliciously concealed or a warranty for the properties of the goods was assumed, if the defect caused bodily harm or damage to someone's health resulting from a deliberate act or gross negligence by the supplier, his legal representatives or assistants, or resulting from a culpable breach of duty by the buyer, his legal representatives or assistants. In the case of simple negligence the obligation to pay damages is limited to the size of the damage typically specified in the contract as predictable. In the case of fundamental contractual duties, liability for culpable actions is adhered to on the minimum scale of legal coverage. The foresaid provisions according to VI.2. apply accordingly to the buyer's direct claims against the supplier's legal representatives or assistants.

3. If the supplier has advised the buyer outside his contractual performance, he is only liable for the operativeness and suitability of the delivery item in the case of prior express warranty.

4. Notices of defects must immediately be asserted in writing. In the case of hidden defects the complaint must be lodged promptly after discovery. In both cases all claims are struck by the statute of limitations 12 months after passage of risk, unless otherwise agreed. Longer periods are in effect where they are stipulated by law.

5. In the case of a justified notice of defects - samples released in writing by the buyer determining the expected quality and design - the supplier is committed to subsequent performance. If he does not comply with this obligation within a reasonable period of time or if a rectification of defects fails in spite of repeated attempts, the buyer has the right to reduce the purchase price or to withdraw from the contract. Further claims, especially for repayment of expenses or claims for damages due to defects or damage thereof, only exist within the scope of the provisions under VI.2. and X. Replaced parts must be sent back freight forward to the supplier on demand.

6. The use of recycled materials can cause variations in the nature of the products, especially color variations, efflorescence, overflow ridges, pores, shrink holes or surface fissures. Apart from delivery of merchandise other than that stipulated, color and other deviations, variations or tolerances do not constitute a deviation from the agreed or usual nature of the products. Reference to technical standards serves as performance description and is not to be interpreted as guarantee of quality. In this respect, samples submitted by the supplier to the buyer's examination and at his request, represent non-committal inspection specimen. Minor deviations thereof do not justify reclamations. Claims due to defects do not exist, if the delivered goods are suited for the normal use and the use required by the contract respectively, and if they show a quality which is usual for products of this kind and which the buyer can expect from this type of product. In this connection, the use of recycled materials has to be especially considered. For this reason, agreements on desired colors are only possible within the bounds of color variations associated with the manufacturing process. Under outside conditions and during longer exposure to weather it has to be considered also that air pollution, acid rain and other effects of the weather (especially UV rays) can alter surface and colors. This has no influence, however, on the expected useful life. Color fastness guarantees (especially for the color white) are excluded. Furthermore, variations in dimensions (up to 3 %) may occur. Deviation from the nominal size of up to +/- 5 % due to temperature fluctuations is common to plastic profiles and must be considered during installation. No liability is accepted for these variations in length.

7. As far as the supplier has made statements about the application of the products, these statements only constitute a separate advisory performance, if this was explicitly agreed on in writing. This especially applies to the efficiency and the suitability of the delivery item for certain kinds of utilization.

8. Arbitrary reworking and inappropriate treatment result in the forfeiture of all claims for defects. Only in order to prevent disproportionately great damage, or if the supplier is in default of rectification of defects, is the buyer authorized, after prior notification of the supplier, to rework and to demand compensation for the pertinent costs.

9. Wear or abrasion on a normal scale does not entail warranty claims.

10. Recourse claims according to §§ 478, 479, German Civil Code, only exist, if the customer's claim was justified, and only to the legal extent. They do not apply, however, to good will arrangements that were not cleared with the supplier and require the compliance with the obligations for lodging a complaint.

VII. Terms of Payment

1. As far as no other provisions have been confirmed by us, payments including payments for partial deliveries must be made in cash within 7 days of the date of invoice with a 2 % cash discount or within 21 days in full, the buyer taking over all expenses.
2. Projected custom-made products are to be paid according to the following scale: 30 % after ordering, 60 % at notification of readiness to deliver, 10 % at delivery.
3. All payments are to be made in € (Euro) and solely to the supplier.
4. Unless otherwise agreed, the purchase price for deliveries or miscellaneous services is to be paid with a 2 % cash discount within 7 days or without discount within 21 days after the date of invoice. Granting of a cash discount requires the settlement of all earlier due and undisputed bills. In the case of bills of exchange cash discount is excluded.
5. The costs of transport, pallets, manpower and provided commodities are excluded from cash discount.
6. Sales representatives are not authorized to collect. Overrunning the agreed payment date entails an interest charge amounting to the legal rate of 8 % over the respective ECB prime rate, unless the supplier provides evidence of greater damage. The buyer retains the right to provide evidence of a lower amount of damage.
7. Decisions about the discounting of bills are made as the case may be; bills of exchange are only accepted on account of payment, crediting is subject to the payment of the bill. The customer bears all costs as well as discount and collection charges. In the case of bills of exchange cash discount is excluded; we are unable to guarantee encashment in due time or punctual protest of third-party bills.
8. If a bill of exchange or a check is not cashed on time and the buyer does not fulfill his obligation to pay respectively, or if circumstances become known to us which cast doubt on his credit worthiness, all outstanding accounts are due and payable immediately, even if respite was granted.
9. The buyer is only authorized to hold back payments or to balance them against any possible counterclaims, if such claims have beforehand been acknowledged by us in writing.
10. The buyer is only granted the right to counterbalance after his claims have been declared legally effective, if they are indisputable or have been acknowledged by us. The buyer has the right to hold back payments insofar as his counterclaim is based on the same contractual relationship.
11. Receipt of a payment first serves as balance of possibly still existing open accounts, any surplus amount will be credited against the bill the payment was meant for.
12. We reserve the right to transfer any claims against our component suppliers to the buyer. Claims against us must not be transferred to a third party. The buyer's claims against a third party cannot be transferred to us.

VIII. Molds (Tools)

1. Molds manufactured in connection with the order by the supplier or by a third party on his behalf remain in the supplier's possession. The billing of (prorated) costs of molds does not indicate that the buyer shall become owner of the molds. Molds are only used for the buyer's orders as long as he complies with his obligation to pay and to take delivery. Should the molds become unusable as a result of wear and tear within the course of normal use, the supplier can again bill (prorated) costs of molds. The supplier is only obligated to replace these molds free of charge, if they are needed for the fulfillment of an output quantity the buyer was guaranteed. The supplier's obligation to preserve a mold expires after the last delivery of parts from this mold after prior information of the buyer.
2. The price of molds also includes the cost of one-time sampling, it does not include, however, the costs of testing and processing devices as well as changes initiated by the buyer. The supplier bears the costs of additional samples, if he initiated them.
3. If the buyer is supposed to become proprietor of the molds as stipulated, an explicit written agreement is required. In this case the buyer gains possession after full payment of the purchase price. Transfer of the molds to the buyer is replaced by their storage for the benefit of the buyer. Independent of the buyer's legal claim to the transfer and the useful life of the molds the supplier is entitled to exclusive possession thereof up to the termination of the contract. The supplier is obligated to label the molds as

third party property and to insure them at the buyer's request and expense.

4. In the case of molds belonging to the buyer according to paragraph 3 and/or molds provided by the buyer as a loan, the supplier's liability with regard to storage and maintenance is limited to the care dedicated to his own matters. The buyer bears the costs of maintenance and insurance. The supplier's obligations expire, if the buyer does not pick up the molds within a reasonable period of time after completion of the order and respective request. As long as the buyer has not fulfilled his contractual obligations to the full extent, the supplier is at any rate entitled to the retention of the molds.

IX. Provision of Materials

1. Materials provided by the buyer are to be delivered at his risk and expense, on time, in proper condition and including a reasonable additional amount of at least 5 %.

2. In the case of non-compliance with these prerequisites, delivery time will be extended accordingly. The buyer bears the resulting additional costs as well as costs of process interruptions with the exception of interruptions by Acts of God.

X. Claims for Damages

1. Claims for damages against us as well as our vicarious agents or persons employed in performing an obligation for us, no matter what the legal reason (e.g. consulting, positive violation of contract or unauthorized acts), especially for indirect and consequential damages are excluded. This does not apply as far as liability is mandatory in cases of intent, gross negligence or lack of warranted characteristics.

2. Any existing claims for damages against us, our vicarious agents or persons employed in performing an obligation for us are statute-barred within one year of delivery of the products.

3. If the supplier is required to deliver according to blueprints, models, samples or by using parts provided by the buyer, the buyer is responsible for ensuring that third party industrial property rights in the country of destination of the goods are not infringed. The buyer will be informed by the supplier of rights known to him. The buyer must indemnify the supplier from third party claims and pay damages accrued. If the supplier is forbidden by a third party to manufacture or deliver under reference to an industrial property right in the third party's possession, the supplier - without examining the legal foundation - has the right to discontinue the work until clarification of the legal situation by the buyer and the third party. If, as a result of the delay, the supplier cannot reasonably be expected anymore to continue the execution of the order, he is entitled to withdraw.

4. Drawings and samples left to the supplier which did not result in an order will be sent back upon request; otherwise he is authorized to destroy them three months after submission of the offer. This obligation holds true accordingly for the buyer. The party authorized to destroy drawings and samples is obligated to give the contractual partner sufficient notice of their intent to destroy.

5. The supplier is entitled to copyright and industrial property rights where applicable, he is especially entitled to all rights of use and exploitation of models, molds and devices, drafts and drawings designed by him or a third party on his behalf.

6. In the case of other existing deficiencies in title, paragraph VI applies accordingly.

7. Unless otherwise agreed, the buyer only delivers free of industrial property rights and third party copyright in the country of the place of delivery. In the case of justified third party claims against the buyer due to the infringement of property rights by the contractual use of deliveries, the buyer, of his own choice and within a limitation period of one year from the date of delivery, will either secure a right of use, change the respective delivery in a way that the property right is not infringed or replace the delivered goods. Should this be impossible for the buyer on reasonable terms, he is entitled to the legal rights to withdraw or to reduce the purchase price to the exclusion of any claim for damages. The limitation only applies as far as the supplier, his legal representatives or assistants did not act deliberately or grossly negligently. The afore mentioned obligations only exist as far as the buyer informs the supplier immediately in writing of third party claims, does not acknowledge an infringement and all remedial actions as well as negotiations for reaching a settlement are reserved to the supplier. Claims by the buyer are excluded as far as he is responsible for the infringement of industrial property rights. This also applies as far as the infringement results from the supplier's special requirements.

XI. Place of Performance and Jurisdiction

1. At the supplier's choice the place of jurisdiction is his or the buyer's registered office, also for documentary, bill of exchange and check proceedings

2. German law is applied exclusively. The application of the UN convention of 11 April 1980 on contracts pertaining to national commodity purchases (German Civil Code 1989, p. 586) for the Federal Republic of Germany (German Civil Code 1990, p. 1477) is excluded.