

Sales and delivery terms and conditions

1. Applicability:

The following terms and conditions shall apply to each delivery to be performed by the supplier. Verbal supplementary shall only become legally binding with the written confirmation of the supplier. By placing an order these terms and conditions in all their parts shall be recognised. Should the counter-confirmation of the purchaser contain deviating provisions, these shall only apply if they have been acknowledged in writing by the supplier. In the event of an ongoing business relationship these delivery and payment conditions shall apply to each individual contract even if the conditions are not attached to every single order or if they are only referred to.

These sales and delivery conditions shall apply only to contracts with commercial entities or to a legal entity under public law or a public law special fund.

2. Delivery terms and conditions:

Our quotes are issued without obligation. The contract shall only come into force with our order confirmation or the performance of the order. The sending of our price lists should not be viewed as a quotation. Any sending of pricelists, circulars or general quotes does not constitute an obligation by us to deliver. Any contracts concluded by our external sales team plus any telephone agreements require our written confirmation in order to be valid. Type specimens are non-binding. They indicate the general character of the goods, but not their individual properties.

Deviations from samples or previous deliveries and quality as well as tolerances in the dimensions which are technically unavoidable in the production and processing of the raw materials, do not entitle the purchaser to make an objection to the goods.

The goods shall be charged for at the prices specified in the order confirmation. If the prices are subject to increasing costs of raw materials, salaries and transportation in the period between order confirmation and delivery, or due to increases for reasons not anticipated by us, then in all cases the prices on our delivery date shall apply. Unless otherwise agreed, all prices are ex works, excluding packaging and other ancillary costs.

The prices shall be subject to Value Added Tax at the respective legally envisaged rate.

The delivery terms and dates stated in our quotes and order confirmations only apply as approximations. We shall endeavour to meet them.

The delivery periods shall be extended - without prejudice to our rights arising from default on the part of the ordering party - by the period for which the ordering party is in default with its obligations arising from the conclusion of this contract. This shall also apply to delivery dates. In the event of a default by us, the ordering party may withdraw from the contract after the expiry of a reasonable extension period set by us if the goods have not been notified as ready for shipment by the expiry of the deadline.

The preceding paragraph shall also apply if delivery periods or dates were agreed as fixed. Operational disruptions or delivery difficulties of any type for which no culpability can be attributed such as a breakdown in deliveries of semi-finished goods and energy supplies, water and fire damage, non-anticipated breakdowns of machinery and plants, strikes and lockouts, official actions, natural disasters and force majeure, entitle us to defer the delivery by the period of the impediment and a reasonable adjustment period or to withdraw from the contract in full or in part due to the still unfulfilled part of the contract.

The ordering party can request a declaration from us as to whether we want to withdraw or deliver within a reasonable period. If we fail to make such a declaration, the ordering party can withdraw. We are entitled to make partial deliveries. The ordering party may not reject such deliveries.

In case of late deliveries for which we are responsible, and which are based on slight negligence, compensation claims are excluded. If a late delivery was caused by us due to gross negligence, our liability is limited to the anticipated damages which arise due to this infringement of our obligation. The same shall apply to the whole or partial failure to deliver due to impossibility.

The risk shall be transferred to the purchaser as soon as the goods are handed over to the transport company or have left our works or warehouse. This shall also apply when we assume the transportation costs. The purchaser must lodge any complaints due to transport damages and losses, with the transport company directly and within the specific periods envisaged for this purpose. Any conclusion of transport insurance policies or any other insurances is incumbent on the purchaser.

For fast freight and express shipments the customer shall assume the difference between the charges for freight or parcel post, and those for the accelerated delivery.

If the ordering party does not comply with the payment terms or if we become aware of circumstances after the conclusion of the respective contract, which seem likely in our view to reduce the creditworthiness of the ordering party or if the ordering party does not meet its obligations to us in any other way punctually and in accordance with this agreement - even if these obligations originate from other contracts, then all our accounts receivables become due immediately, without any consideration of the term of any bills of exchange having possibly been accepted. We are also entitled to perform any still outstanding deliveries only against pre-payment or security deposits and to withdraw from the contract after a reasonable extension period - even after partial fulfillment - or to demand compensation due to non-performance or to refuse our services, without prejudice to the redemption of the goods delivered subject to reservation of title.

3. Property Rights:

If items are manufactured as specified by the ordering party, then the latter shall assume the risk for them to the extent that through the production of such an item, no intellectual property rights of third parties shall be infringed. The ordering party shall be liable to us for all damages resulting from the enforcement of intellectual property rights.

4. Payment Terms:

Our prices in quotations, order confirmations and invoices are stated in EURO.

Our invoice amounts are payable free from postage and other charges ex Lahnstein.

Unless agreed otherwise, a payment term of 30 days net without discount applies as agreed. Any other terms and conditions require our written confirmation in every case.

The granting of a discount is contingent upon all payment obligations from previous deliveries having been fulfilled. Payments shall first be booked to interest receivables and then to the oldest receivable arrears.

If the payment terms are not met, interest and commissions in accordance with the respective bank rates for short-term loans shall be charged, but at least at an interest rate of 3% above the respective discount rate of the Deutsche Bundesbank.

Cheques - free of charge for us - do not exclude a claim for a cash discount if they are sent to us so promptly that their encashment can be settled within the above payment terms. Post-dated checks are not accepted as payment.

If our own or other acceptances are given, then any discount fees shall be at the expense of the purchaser.

If payment is made by bills of exchange, any use of a cash discount is expressly excluded.

In each case we reserve the right to collect our own or external acceptances.

4.8. Bills of exchange and checks shall be credited only subject to redemption. We assume no risk for the prompt production and lodging of protests. In the event of a protest relating to a bill of exchange, whether it relates to a promissory note of the customer, or a non-immediate settlement of a protested external promissory note, our claims from all ongoing bills of exchange shall become due immediately, irrespective of whether it is an acceptance or external promissory note.

4.9. Offsetting against other counterclaims ascertained as undisputed or legally valid plus the exercise of rights to refuse performance and retention rights in return for purchase price claims, require our consent.

4.10. Payments are then only legally valid if they are made directly with us.

Employees or agents may only accept payments upon specific written authorisation.

4.11. Deliveries abroad, unless special agreements have been made, are made in return for prior cash, bank transfer or payment upon delivery of the bills of lading (letter of credit).

5. Liability Conditions:

5.1. In the event of defects in the goods including the absence of the assured features, we only provide warranty according to the following provisions:

Complaints due to material defects and incorrect deliveries, if they are established

through reasonable inspections, must be immediately asserted and at the latest within 14 days after receipt of goods at the ship-to destination in writing, by telex or telegram.

Material defects which even upon the most careful examination cannot be discovered

within this period, are to be reported upon their discovery, but no later than 3 months

after receipt of goods. Complaints relating to defects do not effect any change in the

agreed payment terms. If a complaint due to a material defect appears to be justified,

then we will, at our choice, either deliver a free-of-charge replacement or give the

purchaser a discount. If the replacement delivery is also defective, we will grant the

purchaser the right to change or for a reduction.

Defective deliveries may not, without our express consent - and even in part - be

further processed or handled and are to be duly and properly stored in order to

preserve evidence. Any defective items possibly produced from defective materials

are to be safeguarded.

Any replaced goods shall become the property of the supplier and shall be returned to

it on the request and cost of the supplier.

We assume no responsibility for any personal injuries, material damages or

operational disruptions which occur due to errors or defects in our products.

5.2. Our liability is determined in accordance with the usual agreements made according to

these and previous sections. All claims not expressly granted there, including

compensation claims - on whatever legal grounds - are excluded as far as legally

permissible.

§ 276 (2) BGB remains unaffected.

5.3. Our processing recommendations are to be checked by the purchaser or processor in

each case as to whether they are applicable to the particular conditions of their

intended use. Technical advice, information, processing recommendations are

provided to the best of our knowledge.

Pledges are not associated with this and can not be derived therefrom. The purchaser

is responsible for compliance with statutory and regulatory provisions in the use of our

products.

6. Retention of title:

We retain ownership of the delivered goods as long outstanding receivables are owed

to us from current and future business relationships with the purchaser. The retention

of title also remains in place when individual receivables of the seller are adopted into

an ongoing invoice and where the balance is recorded and acknowledged. The

purchaser is entitled to dispose of the goods in our ownership in the ordinary course of

business, provided it promptly complies with its obligations under the business

relationship with us. The purchaser is however not entitled to pledge the goods to third

parties or to assign them as security. In the event of any distraint of the goods by third

parties, the purchaser must inform the supplier immediately. In the event of any

processing of our goods by the purchaser, we are deemed to be the manufacturer and

we shall acquire ownership of the newly created goods. If the processing is performed

in conjunction with other materials, we shall acquire co-ownership in proportion of the

invoice value of our goods to the other materials. Should we still then lose the

ownership in the processing of our goods without acquiring the ownership or co-

ownership, then it is deemed as agreed, that according to the preceding provisions,

the ownership or co-ownership of the newly created goods shall be transferred at the

moment of purchase from the purchaser to us. If in the case of processing or mixing of

our products with an item of the purchaser and this is considered as the main item,

then the co-ownership of the item is transferred to us in relationship to the invoice

value of our goods to the invoice value - or in the case of a lack of this - at the current

market value of the main item. In these cases the purchaser applies as the custodian.

In the event of a payment default of the purchaser, we are entitled, and also without

exercising the right of withdrawal and without setting any extension at the expense of

the purchaser, to request the temporary surrender of goods to which we have

ownership.

The purchaser shall already assign to us as security all claims arising from the sale of

goods to which we have ownership rights, at the extent of our ownership proportion of

the sold goods. Upon our request the purchaser shall provide us with all the

necessary information about the inventory of goods that are in our ownership and

about the receivables assigned to us according to the preceding provisions plus to

notify the customer of the assignment.

If the invoice value exceeds the existing guarantee security for all receivables

including ancillary receivables (e.g., interest, costs) by more than 20%, then the seller

is obliged, upon the request of the purchaser or a third party impaired by the over-

security of the purchaser, to release the securities at the discretion of the seller.

The purchaser is entitled to collect receivables from the sale of goods up to and until

our admissible revocation at any time.

7. Jurisdiction and place of fulfilment

The place of fulfilment for both contractual parts for deliveries in both Germany and

abroad is Lahnstein. If the purchaser is a full commercial entity, then the place of

jurisdiction is Lahnstein or as chosen by us, the general place of jurisdiction of the

purchaser. For all legal relationships between us and the purchaser, with the

exclusion of foreign law, only the applicable law at our headquarters applies to the

legal relationships between domestic parties.

Should any individual provisions of these general sales and delivery terms conditions

turn out to be invalid in full or in part, then the remaining provisions shall remain in full

force. The parties shall commit to replace the invalid provisions by such valid

provisions that are as similar as possible in relation to their content and commercial

success.

**PHILIPPINE GmbH & Co.
Technische Kunststoffe KG
- Lahnstein**