

General Terms and Conditions of Sale and Delivery of PolyCorporation GmbH

I. Scope of these Terms and Conditions

1.

Deliveries, services and offers by PolyCorporation GmbH shall exclusively be carried out on the basis of these Terms and Conditions of Business. These Terms and Conditions shall thus also be applicable to all future business relations, even if they are not once more expressly agreed. These Terms and Conditions shall be deemed as having been acknowledged at the latest upon receipt of goods or services. Acceptance by the Buyer, by making reference to its terms and conditions of business and purchasing are herewith rejected.

2.

All agreements reached between PolyCorporation GmbH and the Buyer with the aim of accomplishing this contract have to be laid down in the written form.

II. Offer and Conclusion of Contract

1.

PolyCorporation GmbH's offers to purchase shall be without engagement and non-binding. In order to become legally valid and effective, declarations of acceptance and all orders have to be confirmed in writing or via fax by PolyCorporation GmbH.

2.

Drawings, illustrations, measures, weights or other performance data shall solely be binding, if explicitly agreed in the written form.

3.

The sales staff of PolyCorporation GmbH shall not be entitled to make verbal arrangements or give verbal assurances, which exceed the content of the written contract.

III. Prices

1.

Prices stipulated in the PolyCorporation GmbH confirmation of order plus the respectively valid statutory VAT shall prevail. Additional deliveries and services shall be accounted for separately.

2.

If not otherwise agreed, prices shall be deemed to be FOB warehouse, including normal packaging.

IV. Delivery and Performance Dates/Deadlines

1.

Delivery dates or deadlines, which have been bindingly or non-bindingly agreed, have to be in the written form.

2.

Delivery or performance delays due to force majeure and due to occurrences, which not only temporarily substantially aggravate or make it impossible for PolyCorporation GmbH to execute delivery – this in particular includes strike, lock-out official orders, etc., also if such occurrences should arise on the part of PolyCorporation GmbH's suppliers and their sub-suppliers – shall not be attributable to PolyCorporation GmbH in the case of bindingly agreed deadlines and dates. In the event of such occurrences PolyCorporation GmbH shall be entitled to postpone delivery respectively performance for the term of hindrance plus an appropriate start-up period or to withdraw entirely or partially from the contractual portion not yet accomplished.

3.

If the hindrance should last for a period longer than three months, the Buyer shall be entitled to withdraw from the portion of the contract not yet performed, after having set an appropriate period of grace. If the delivery period should be extended or if PolyCorporation GmbH should be released from its obligations, the Buyer shall not derive any resultant claims for compensation of damages. PolyCorporation GmbH shall solely be entitled to invoke the circumstances mentioned, if it has informed the Buyer thereof without delay.

4.

Insofar as PolyCorporation GmbH should be responsible for non-compliance with bindingly agreed deadlines and dates or be delayed, the Buyer shall be entitled to claim own compensation for damages caused by delay totalling ½ percent for each completed week of delay, however to a maximum of up to 5 percent of the account value of delivery or services affected by such delay. Further going claims shall be precluded, unless if delay should at least be based on gross negligence on behalf of PolyCorporation GmbH.

5.

PolyCorporation GmbH shall be entitled to make partial deliveries and render partial services, unless if such partial delivery or partial services should not be of interest to the Buyer.

6.

PolyCorporation GmbH's compliance with delivery or contractual obligations shall be subject to punctual and proper accomplishment of the Buyer's obligations.

7.

In the event that the Buyer should fall into default of acceptance, PolyCorporation GmbH shall be entitled to demand compensation for damages arising on its behalf; upon occurrence of default of acceptance, the risk of incidental deterioration and destruction shall pass to the Buyer.

V. Passing of Risk

The risk shall pass to the Buyer the moment the consignment has been handed over to the person carrying out shipment or once the goods have left PolyCorporation GmbH's warehouse for shipment. If the consignment should be delayed upon the wish of the Buyer, risk shall pass to the Buyer upon notification of readiness for dispatch.

VI. Buyer's Rights based on Defect

1.

The products shall be delivered in accordance with PolyCorporation GmbH's product specifications; the deadline for asserting warranty claims shall amount to one year as of delivery date of products.

2.

If the delivered products should not be appropriately applied or appropriately utilised, changes made to products, materials used, which do not comply with original specifications; warranty claims on such products shall lapse, if the Buyer should not disprove an appropriately substantiated allegation, that such circumstances caused defect.

PolyCorporation GmbH shall initially provide warranty for defect goods through rectification of defect or replacement, as it may select. In the event that supplementary performance should fail, the Buyer shall fundamentally be entitled to reduction of compensation (abatement) or rescission of contract (withdrawal), as it may select. However, in the case of only minor breach of contract, in particular mere slight defect, the Buyer shall not have the right to rescind the contract. The Buyer shall be under the obligation to report apparent defects in writing within a deadline of two weeks as of receipt of goods, otherwise asserting warranty claims shall be precluded. The Buyer shall bear the full burden of proof as regards all eligibility criteria, in particular as regards the defect itself, as regards the point in time of detection of defect and as regards punctual notification of defect.

3.

As characteristics of goods, solely PolyCorporation GmbH's product specifications shall fundamentally be deemed as having been agreed. Moreover, public announcements, promotion or advertising shall not represent contractual characteristics of goods.

Solely the immediate Buyer shall be entitled to warranty claims against PolyCorporation GmbH and such claims shall not be transferable.

VII. Retention of Title

1.

PolyCorporation GmbH shall be granted the following sureties, which it shall release upon request if the value thereof should exceed the receivables by more than 20% on a sustained basis until settlement of all claims (exclusively all balance claims from current accounts), which PolyCorporation GmbH should at present or in future be entitled to against the Buyer, irrespective of legal basis.

2.

The goods shall remain the property of PolyCorporation GmbH. Processing or alteration shall under all circumstances be carried out on behalf of PolyCorporation GmbH as supplier, however without PolyCorporation GmbH entering into any obligation. In the event that PolyCorporation GmbH's (co-)ownership should lapse due to combination, it is here and now agreed that the proportionate value (invoice value) of Buyer's (co-)ownership to the united object shall be transferred to PolyCorporation GmbH. The Buyer shall store the (joint) property of PolyCorporation GmbH free of charge. Goods, where PolyCorporation GmbH acquires (co-)ownership, shall be described as goods subject to retention of title hereinafter.

3.

The Buyer shall be entitled to process and sell the goods under retention of title during the normal course of business, if the Buyer should not be in default. Assigning as collateral or transferring as security shall not be permitted. The Buyer already here and now assigns to PolyCorporation GmbH as security the full extent of claims (including all balance claims from current accounts) accruing from resale or based on any other legal grounds (insurance, tort) relating to the goods subject to retention of title. PolyCorporation GmbH irrevocably authorises the Buyer to collect claims assigned to PolyCorporation GmbH for its account and in its own name. It shall solely be permitted to revoke this collection authorisation if the Buyer should not duly and properly comply with its payment obligations.

4.

In the event of interference with goods under retention of title by third parties, in particular attachment, the Buyer shall point out PolyCorporation GmbH's ownership and inform PolyCorporation GmbH

thereof immediately in order to enable PolyCorporation GmbH to assert its ownership rights. If such third party should not be in a position to reimburse PolyCorporation GmbH for court fees or extra judicial expenses in this regard, the Buyer shall be held liable for compensation of such costs.

5.

In the event of acts in breach of contract by the Buyer – in particular in the event of payment delay – PolyCorporation GmbH shall be entitled to withdraw from the contract and demand surrender of goods under retention of title.

VIII. Payment

1.

If nothing to the contrary has been agreed, PolyCorporation GmbH's invoices shall be due and payable 30 days after issuance, without deduction.

2.

In the event that the Buyer should fall into delay, PolyCorporation GmbH shall be entitled to demand interest amounting to 8 percentage points above the base interest rates as of the relevant point in time. A lower interest rate shall apply if the Buyer should prove a lower encumbrance; PolyCorporation GmbH shall be entitled to prove higher damages.

IX.

The Buyer shall solely be entitled to set-off, retention or reduction, if counter-claims have been established by declaratory judgement or if such claims are undisputed. This shall also apply if warranty or counter-claims are being asserted.

X. Liability

1.

Unless if wilful intent or negligent acts should be given, claims for compensation of damages shall be precluded, irrespective of nature of breach of obligation, including tort.

2.

In the event of violation of cardinal contractual obligations, PolyCorporation GmbH shall be liable for negligence, however only up to the sum of predictable damages. Claims for lost profits or cost savings resulting from claims for compensation of damages by third parties as well as from direct or

consequential damages cannot be raised, unless if a characteristic feature guaranteed by PolyCorporation GmbH should serve the purpose of safeguarding the Buyer against such damages.

3.

The limitations and exceptions from liability set forth under Paragraphs 1) and 2) shall not apply to claims, which have arisen due to fraudulent behaviour by PolyCorporation GmbH as well as liability for guaranteed characteristic features, claims based on product liability laws and damages causing loss of life, bodily harm or damage to health.

4.

If PolyCorporation GmbH's liability should be precluded or limited, this shall also be applicable to its employees, workers, representatives or vicarious agents.

XI. Applicable Law / Venue of Jurisdiction

1.

The laws of the Federal Republic of Germany shall govern business relations as well as the overall legal relations between PolyCorporation GmbH and the Buyer. The provisions set forth under UN Purchase Law shall not be applicable.

2.

If the Buyer should be a registered merchant, judicial person under public law or a special fund under public law, Nordhorn/Germany shall be sole venue of jurisdiction for all disputes, which may directly or indirectly arise from or in connection with contractual relations.