

General Terms and Conditions of Sale of PolyComp GmbH

1. Generalities – application area

- 1.1. The following General Terms and Conditions of Sale (“GTC”) shall exclusively apply to all deliveries and services of PolyComp GmbH.
- 1.2. Our GTC shall exclusively apply for companies in terms of Sec 14 German Civil Code (*Bürgerliches Gesetzbuch* - BGB), as well as legal entities and special fund under public law. They shall be incorporated in every contract concluded between us and our respective Customer (“Customer”), unless and to the extent expressly agreed otherwise in the individual case. These GTC shall also and in particular apply to any future business relations with the Customer, even if reference to these GTC is not expressly made.
- 1.3. Deviating, conflicting, or supplementing terms and conditions of the Customer shall only become binding if and to the extent that we have accepted their application in writing. An explicit objection to the Customer’s terms and conditions shall not be necessary. Any terms and conditions of the Customer contrary to or deviating from these GTC shall not be applicable even if we have rendered to contractual services without reservation.
- 1.4. The Commercial Terms being agreed to within the order confirmation and used in these GTC shall be construed in accordance with the INCOTERMS in force at the time of concluding the contract.

2. Conclusion of contract

- 2.1. All contractual agreements between us and the Customer are only deemed binding in writing within the respective contract.
- 2.2. In principle, our offers are non-binding and subject to change. Unless explicitly stated otherwise in the offer itself or apparent from the circumstances, they shall be merely deemed as an invitation to the Customer to submit an offer, which requires our acceptance.
- 2.3. The respective offer shall only be binding for us for the duration of the time period stated therein. Otherwise, Sec 147 para 2 German Civil Code shall apply.
- 2.4. The contract becomes effective upon our acceptance of an order placed by the Customer by way of an order confirmation or by delivering the ordered goods together with the corresponding invoice.
- 2.5. In case an export license from the German Federal Office for Economic Affairs and Export Control (BAFA) or any other domestic or foreign governmental body or authority is required for the export of our goods, the validity of the contract shall be subject to the condition precedent (sec. 158 para. 1 German Civil Code) of the granting of such license by the respective competent authority. Furthermore, the validity of the contract is subject to the condition precedent that a matching with the relevant anti-terrorism and sanctions lists, which is routinely carried out, is negative, i.e., does not result in a match. Further details on export control are set forth in Section 12 below.

3. Purchase price

- 3.1. Our prices are net exclusive of VAT, which is set out separately in the invoice at the statutory rate applicable on the day of invoicing.
- 3.2. The dispatch weight of the goods determined at the time of loading shall be decisive for the calculation of the purchase price.
- 3.3. In the event of any cost reductions or increases of more than 5 % between the conclusion of the contract and the delivery of the goods, which are resulting from a change or enactment of public charges on imported goods, the change in currency parities or the change in the prices of raw materials and which are neither attributable to us nor foreseeable at the time of conclusion of the contract, we shall be entitled to adjust our prices accordingly. We shall provide the Customer with evidence of the cost increases. For products with registered trademarks of domestic manufacturers, the prices valid on the day of delivery shall be decisive. If these prices have increased compared to the prices stated in the order or the order confirmation, the Customer shall be entitled to withdraw from the delivery or partial delivery affected by price increases; however, the right of withdrawal shall not apply to price increases that are only caused by an increase of VAT.
- 3.4. Freight increases, flood and low water bonuses, ice bonuses, express goods and other special freight charges of any kind must be paid by the Customer.

4. Conditions of payment

- 4.1. The payment conditions specified in the order confirmation or invoice shall apply.
- 4.2. Payment must be made without deduction (especially without deduction of discount), if nothing else is agreed upon in writing.
- 4.3. The Customer is in default on payment, if he does not pay on the contractually determined date or if he does not pay after having received our reminder at the latest through thirty (30) days after having received our invoice, if a date of payment is not determined.
- 4.4. The Customer’s payment is being always used in opposition to a possible amortization determination for the oldest payable invoice.
- 4.5. Bills of exchange and checks are only accepted on account of performance (*erfüllungshalber*). If bills of exchange are being accepted by our company, discount- and bank service charges are debited to the Customer and must be immediately paid in cash. Payment by bill of exchange or check shall not apply as cash payment.

- 4.6. If there are justified doubts concerning Customers’ liquidity, especially in case of outstanding payment, we are entitled to revoke granted terms of payment. If bills of exchange are falling due later, we reserve the right to require cash payment against return of the bills of exchange.
 - 4.7. A right to offset or a right of retention on the part of the Customer shall be excluded, unless the counterclaim is either undisputed or has been finally adjudicated.
 - 4.8. The risk of a possible devaluation of the currency agreed in the contract shall be borne by the Customer.
- ### 5. Delivery, Passing of Risk, Acceptance and Delay
- 5.1. The delivery is made in accordance with the INCOTERMS (latest version) previously agreed between the parties which is also the place of performance and any subsequent performance. At the Customer’s request and expense, the goods are delivered to any other destination (sale by delivery) to a place other than the place of performance.
 - 5.2. The stated delivery times are only approximate times, unless they have been confirmed in writing and expressly agreed as fixed dates.
 - 5.3. Whilst the Customer is in arrears with an obligation resulting from the continuing business relationship, our delivery obligation shall be suspended.
 - 5.4. If there are justified doubts concerning buyers’ liquidity, especially in case of outstanding payment, we shall be entitled to make delivery dependent on advanced payment or concession of securities.
 - 5.5. We are entitled to make partial deliveries, if and to the extent these are reasonable for the Customer.
 - 5.6. In case of FOB-sales, if nothing else is agreed upon in writing, the Customer shall provide a liner (Liner-terms) ready for loading in an adequate position within twenty-four (24) hours after receipt of goods. Any charges caused by nonobservance of this condition have to be paid by the Customer.
 - 5.7. Should transport of the goods be constantly or partly impossible without our company being responsible for this occurrence, notwithstanding, the purchase price is falling due. In case of this, we are entitled to store the goods at the Customers’ risk and expense.
 - 5.8. All defaults of performance caused by events and circumstances beyond our and our suppliers’ reasonable control, especially defaults of performance caused by events of forced majeure, shall extend the agreed delivery period accordingly for the duration of the default of performance plus a reasonable time thereafter to the extent the default of performance could not have been averted by us even through reasonably expected care and precautionary measures. The delivery period shall also be extended, if we are not supplied completely or in time by our supplier despite of having entered into a covering back-to-back contract (*kongruentes Deckungsgeschäft*) through no fault of our own and if it is impossible or unreasonable for us to obtain the goods elsewhere. In such a case, we shall immediately notify the customer of the occurrence of default of performance and the delay in delivery expected to result therefrom. If the hindrance lasts longer than two (2) months, both we and the Customer are entitled to withdraw from the corresponding contract with regard to the unfilled part. If the delivery time is extended or if we are released from our delivery obligation, the Customer cannot derive any claims for damages therefrom.
 - 5.9. We are entitled to increase or decrease the delivery quantity by up to 10%.
 - 5.10. The risk of accidental loss and accidental deterioration of the goods shall pass to the Customer at the latest upon delivery of the goods. In the case of sale by delivery to a place other than the place of performance, however, the risk of accidental loss and accidental deterioration of the goods as well as the risk of delay shall pass already upon delivery of the goods to the forwarding agent, the carrier or any other person or institution designated to carry out the shipment. Insofar as acceptance has been agreed, this shall be decisive for the passing of risk. In all other respects, the statutory provisions of the law on contracts to produce a work shall also apply *mutatis mutandis* to an agreed acceptance. The handover or acceptance shall be deemed equivalent if the Customer is in default of acceptance.
 - 5.11. If the Customer is in default of acceptance, fails to cooperate or if our delivery is delayed for other reasons for which the Customer is responsible, we shall be entitled to demand compensation for the resulting damage including additional expenses (e.g., storage costs). For this purpose, we shall provide the Customer with a corresponding invoice showing the calculation based on the costs actually incurred by us. The proof of higher damages and our legal claims (in particular compensation for additional expenses, reasonable compensation, termination) shall remain unaffected; however, the lump sum shall be offset against further monetary claims. The Customer shall be entitled to prove that we have incurred no damage at all or only significantly less damage than the aforementioned lump sum.
 - 5.12. The occurrence of our delay in delivery shall be determined in accordance with the statutory provisions. In any case, however, a reminder from the Customer is required.

6. Packaging

- 6.1. Deliveries in returnable packaging are subject to our special conditions, which we will send on request. One way packaging can only be re-used in business after having made the company's sign as well as the name and identification unrecognizable.

7. Shipment and assurance

- 7.1. Delivery is dispatched at the Customers' risk, even in case of carriage paid delivery.
- 1.1. We only carry out the transport for the Customer. The insurance of the goods is therefore the responsibility of the Customer.
- 7.2. Mode and route of dispatch shall be chosen by us taking into account the Customer's reasonable requests.
- 7.3. In case of consignment warehouses, the Customer bears the risk of loss or damage of our goods being stored at his premises. In this respect, the Customer shall be obliged to cover an adequate insurance, being certifiable to us if required.

8. Warranty for Defects

- 8.1. In case of material defects and defects of title, the statutory provisions shall apply.
- 8.2. If the delivered goods are defective, we are entitled to choose whether we repair the defective goods (*Nachbesserung*) or replace the defective goods by goods free of defects (*Nachlieferung*). Our right to refuse subsequent performance (*Nacherfüllung*) under the statutory conditions remains unaffected.
- 8.3. We are entitled to make the subsequent performance owed dependent on the Customer paying the due purchase price. However, the Customer shall be entitled to retain an appropriate part of the purchase price in relation to the defect.
- 8.4. The Customer shall inspect and check the delivered goods immediately upon arrival for shortages and obvious defects. If necessary, the Customer has to check by trial processing, if the goods delivered are in perfect condition and appropriate for the purpose agreed on.
- 8.5. Obvious defects established in case of examining the goods shall be notified to us immediately without undue delay, at the latest within two (2) days after having received the goods; hidden defects shall be notified to us immediately without undue delay after having discovered them in writing, stating order data and invoice-, manufacturing- and shipment number. The Customer shall describe the defects as precisely as possible. If the Customer fails to make such notification in due time, the delivered goods shall be deemed accepted and any warranty claims of the Customer with respect to obvious or known defects including any consequential or indirect damage resulting therefrom shall be excluded. Precondition for acceptance of any kind of complaint assumes the correct storage of goods after delivery.
- 8.6. In case of goods subject to export, the Customer shall inspect the goods immediately upon delivery and obvious defects and/or shortages emerging shall be notified to us immediately without undue delay after unloading. Notification has to be made in writing stating the cause, permitting verification.
- 8.7. In case of FOB or FAS sales, the inspection has to be carried out at the port of loading on the quayside or at the ship before shipment, in case of CIF and CFR sales immediately after unloading, if possible before customs clearance.
- 8.8. If the goods are being dispatched by the Customer without reloading, the inspection must still take place at the first place of destination.
- 8.9. Clauses, being added to the bill of lading or other documents by shipping agents or ship-owners are inconclusive.
- 8.10. The notification of defects only encompasses the goods which are subject of the complaint, without affecting the Customer's obligation to accept the agreed quantities that are still to be delivered.

- 8.11. Rejected goods may only be subject to return shipment and solely to the address chosen by our company, in case that we have not managed to collect the goods at the buyers' premises within an adequate period of time despite being requested twice.
- 8.12. The warranty period shall be effective for one (1) year upon delivery of goods.
- 9. Information, advice and recommendation**
- 9.1. In the event our company shall provide information concerning processing as well as application possibilities or other specifications (e. g. with regard to patent rights) or in case of providing technical advice or recommendation, this is done to the best of our knowledge but without obligation. Such information, advice or recommendation shall not exempt the Customer from processing tests and trials. In this respect, claims for compensation shall not be enforced to us.
- 10. Retention of title**
- 10.1. Delivered goods remain our property until all claims arising from the business relationship with the Customer have been fully paid (retention of title).
- 10.2. The Customer shall be entitled to resale goods subject to retention of title according to his usual conditions within the ordinary course of business, as long as he is not in payment default; however, he may neither pledge nor assign the goods subject to retention of title by way of security.
- 10.3. By now, the Customer shall assign the claim arising out of sale of goods subject to retention of title; we shall hereby accept this assignment in advance.
- 10.4. Notwithstanding the assignment and our right to directly collect the assigned receivables resulting from the resale, the Customer shall be entitled to receive payment on the assigned claims until such authorization is revoked by us. We shall be entitled to revoke this authorization if the Customer defaults on his payment obligations arising from the business relationship with us or if we become aware of any circumstances which are reasonably likely to significantly reduce the Customer's creditworthiness (e.g., filing an application for the opening of insolvency proceedings, suspension of payments, etc.). If the requirements for exercising the right of revocation are met, the Customer shall, at our request, immediately notify us of the assigned claims and the respective debtors, provide us with all information necessary for the collection, furnish any relevant documents and inform the debtors of the assignment. Our right to notify the debtors of the assignment ourselves remains unaffected.
- 10.5. Any processing or treatment of goods subject to retention of title shall be carried out by the Customer on our behalf, without any obligations arising for us. In this case, the Customer's expectant right (*Anwartschaftsrecht*) shall extend to the processed, adapted and/or modified goods. If the goods subject to retention of title are processed with other objects which are not owned by us, we shall acquire co-ownership of the processed good in proportion of the value of the goods subject to retention of title to the processed good at the time of processing. The same shall apply in the event that the goods subject to retention of title are mixed or combined with other goods not owned by us. If the Customer acquires sole ownership of the newly created good due to the fact that the other goods owned by him are to be regarded as the main item of the processed good, the Customer shall grant us co-ownership of the new item in the ratio of the value of the processed or combined or mixed goods that are subject to retention of title. The Customer shall keep new object in custody for us free of charge. If the goods subject to retention of title are resold together with other goods - irrespective of whether processing or mixing has taken place - the advance assignment shall only apply to the amount of the value of the goods subject to retention of title which are resold together with the other goods.
- 10.6. Provided we shall be entitled to dispose of the goods, subject to retention of title, this can be done by private contract.
- 10.7. We shall be obliged to release the securities, being entitled to us according to the preceding clauses at our option when required by buyer as the value exceeds the claims being secured by 10 %.
- 10.8. We shall be immediately informed about legal enforcement measures of third persons with regard to goods, subject to retention of title or claims assigned in advance by indication of documents, being necessary for intervention. The Customer shall be obliged to reimburse the costs for successful intervention, provided the third person is not capable of reimbursing to us the costs incurred. We shall be either informed about other negative impacts of goods, subject to retention of title caused by third persons.
- 10.9. If a reservation of title in accordance with the above conditions cannot be validly agreed in the jurisdiction to which the goods are delivered, the Customer is obliged to provide us with equivalent security to secure our claims and to make all necessary declarations to this end.
- 11. Trademarks and designations of manufacturer**
- 11.1. Various goods supplied by our company are labeled (e. g. trademark or company) with a sign of manufacturer. In case of processing those goods, the use of labels in connection with the goods processed in this respect, shall solely be deemed to be authorized upon written agreement of manufacturer. This shall be deemed binding for all processing sectors. Besides fulfillment of legal labeling formalities, this agreement especially assumes authorization of process by manufacturer. The buyer shall be responsible for obtaining the necessary consents from the manufacturer.
- 12. Export Control**
- 12.1. If our deliveries require prior export or import authorization of any government and/or state authority, or if the delivery is otherwise restricted or prohibited due to national or international laws, we shall be entitled to suspend performance of our delivery or other contractual obligations until such authorization has been granted or such restriction or prohibition has been cancelled. If the delivery depends on the granting of export or import authorization and such authorization is not granted, we shall be entitled to withdraw from the contract at any time. We shall not be liable for any delays in delivery, which result for the reasons specified in this clause 12.1 and shall not be liable in the event that a delivery cannot be performed at all due to export regulations unless we have acted intentionally or with gross negligence. The same shall apply in the case of any justified withdrawal from the contract according to this clause 12.1.
- 12.2. By accepting the offer, or at the latest by accepting the delivery, the Customer guarantees that he shall not conduct any business with the goods delivered by us, which breaches any applicable statutory export regulations and/or any current EU sanctions, and shall especially execute any further deliveries, transfers or exports of the delivered goods solely in compliance with the applicable statutory export control regulations. The Customer undertakes to also impose the above regulations on its customers.
- 12.3. The Customer shall be obliged to ensure that no persons, entities or bodies are involved in the execution of the contract or are thereby supported, which are listed on the anti-terror and sanctions lists of the European Community and the United Nations applicable at the time (in particular Regulation (EC) No 881/2002; Regulation (EC) No 2580/2001; Regulation (EC) No 753/2011). This shall also apply with respect to any persons, entities or bodies that are listed on the anti-terror and sanctions lists of other governments (in particular the US Denied Persons List, US Entity List, US Specially Designated Nationals List, US Debarred List), provided that these do not unilaterally exceed UN or EU sanctions. The consideration of the parts of anti-terror and sanctions lists of other governments that unilaterally exceed the sanctions lists of the UN or EU, as well as a compliance with country-specific export control regulations is linked to the compliance with § 7 AWW (German Foreign Trade and Payments Ordinance) and may not contradict it. We neither issue a boycott declaration nor do we call for a boycott declaration. The Customer further guarantees that neither he nor any of his shareholders or representatives are listed on such a list, and that he is not under the control of or a partner of any person or corporate body found on such lists. If the Customer or any of his shareholders, representatives, or a person or corporate body that the Customer is a partner of, is added to an anti-terror or sanctions list during the term of the contract, the Customer shall be obliged to notify us thereof without undue delay. In case of reasonable suspicion that the Customer is one of the persons, organizations or facilities listed in the anti-terror or sanction lists or provides such persons, organizations or facilities with assets or is controlled by one of them directly or indirectly we reserve the right to rescind the contract or to retain delivery until full clearance of the suspicion taking into account the reasonable interests of the Customer. The Customer is obliged to provide us on demand with any information we may reasonably consider necessary to clear up the suspicions or respectively the underlying facts.
- 12.4. PolyComp GmbH and the Customer agree that is an essential prerequisite for the execution of this contract that all applicable export control regulations are strictly complied with. Therefore, an infringement of export control regulations in connection with our products always constitutes a severe violation of our interests. This shall also apply in the case of any violations committed by third parties. In this case, we shall be entitled to extraordinarily terminate or withdraw from the contract. The Customer shall be obliged to indemnify us against any claims for damages of third parties resulting from such breach of applicable export control regulations and compensate us for any expenses or damages incurred, whether material or immaterial, in particular for any fines or penalties resulting from a violation of any of the obligations set forth in Clauses 12.1 to 12.3 above.
- 13. Liability**
- 13.1. In the event of wilful intent or gross negligence, we shall be liable to the Customer – for any legal reason whatsoever – without limitation in accordance with the statutory provisions.
- 13.2. In case of simple negligence (*einfache Fahrlässigkeit*) we shall only be liable for
- damages resulting from injury to life, body or health, and
 - damages resulting from breach of fundamental contractual obligations (i.e., contractual obligations which enable the fulfilment of the orderly performance of the contract in the first place, and in the compliance of which the contracting party can and will regularly rely on); in which case our liability shall be limited to the foreseeable, typically occurring damage.
- 13.3. The limitations of liability as per Clause 13.2 above shall also apply to any of our representatives, employees and vicarious agents for which we are liable. They shall, however, not apply if and to the extent we have fraudulently concealed a defect or assumed a guarantee for the condition of the delivered goods as well as

for any claims of the Customer under the Product Liability Act (*Produkthaftungsgesetz*).

- 13.4. Damage claims of the Customer, irrespective of their legal grounds, shall become time-barred twelve (12) months after the Customer obtained knowledge of the circumstances giving rise to the claim, or would have obtained such knowledge absent gross negligence, but in any case, not later than three (3) years after the breach of duty. This shall not apply if the relevant claim is based on wilful intent on our part or to claims resulting from injury to life, body or health.

14. Final Provisions

- 14.1. Place of delivery shall be the respective place of lading; place of payment shall exclusively be the registered office of the company.
- 14.2. German law exclusively applies to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 14.3. The place of jurisdiction for all disputes between the parties shall be Norderstedt. However, we shall be entitled to file suit also at the Customer's general place of jurisdiction or at the place of jurisdiction which is competent for his place of business.
- 14.4. If any provision of these GTC is or becomes invalid or unenforceable, the validity of the remaining provisions shall not be affected. Any invalid or unenforceable provision shall be replaced by a provision whose economic purpose comes as close as possible to that of the invalid or unenforceable provision.
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