



GENERAL TERMS AND CONDITIONS OF BUSINESS AND DELIVERY

Hexpol TPE GmbH – January 2017/Revision

1 Validity of Terms and Conditions

All purchase contracts and deliveries are made exclusively on the basis of the following conditions. Should any other terms or conditions apply in exceptional cases—particularly, the purchasing conditions of the buyer—this requires our express written confirmation. Our delivery of goods is not, and must not be construed as, a recognition of the buyer's terms and conditions of business; conversely, the buyer, by acceptance of the goods, approves of our terms and conditions.

2 Offer and Conclusion of Contract

1. Regarding price, quantity, delivery time and availability, our offers are non-binding and subject to change, unless they are not specifically marked as binding or contain a specific deadline.
2. As a rule, contracts only take effect if confirmed by us in writing. The only relevant basis for the legal relations between seller and buyer is the completed written purchase contract, including these General Terms and Conditions of Business and Delivery. This contract specifies all the agreements between the contracting parties. Oral promises made by the seller before the conclusion of this contract are not legally binding and oral agreements between the contracting parties shall be replaced by the written contract, unless it is expressly stipulated therein that they will continue to apply in each case. Additions and amendments to the agreements including these Terms and Conditions of Business and Delivery require the written form to become effective.
3. Product mixtures, recipes, dimensions, weight, drawings, illustrations or other performance data are only approximately authoritative, except where usability for the contractual purpose requires full conformity. Such specifications shall not be construed as warranties of quality, but rather as a description or identification of delivery or performance. Commercial differences and deviations due to legal provisions or technical improvements are permissible, insofar as the usability for the contractual purpose is not affected.

3 Prices and Payment

1. The prices are valid for the scope of service and delivery specified in the order confirmations.
2. Unless otherwise agreed in writing, invoice amounts are due within 30 days without any deduction. Payment is deemed to be made on the date of its reception by the seller.

Checks are considered as payment only after redemption. Terms for payment are deemed to be met only if the invoice amount has been made available to us by the last day of the payment period. Where the ordering party does not make payment by the due date, any outstanding amounts become subject to an interest of 8% above the base interest rate as from the due date; the assertion of higher interest rates and further damage in the event of default in payment shall remain unaffected.

3. In the event of justified doubts regarding the creditworthiness of the buyer, in particular in the case of a significant deterioration of the financial situation of the buyer occurring subsequent to the conclusion of the purchase contract and threatening the claims of the seller, or if objections to bills of exchange and cheques exist, or insolvency proceedings over the assets of the buyer have been filed or the buyer goes into liquidation, we are entitled, irrespective of any granted payment terms, to only execute subsequent deliveries against advance payment or securities. In addition, we are entitled, without prejudice to other rights, to cancel the contract, under threat of refusal, after expiration of a reasonable grace period for the payment or provision of a security. All outstanding invoices are due immediately.
4. The buyer shall not be entitled to offset our claims with disputed or not legally established counterclaims. The same applies for the exercise of the rights to refuse performance and to retain goods. Unless otherwise agreed in writing, rights of the buyer under this contract may not be transferred to third parties.
5. The delivered goods remain our property until complete payment of all present and future claims resulting from any business relationships, including the settlement of a current account balance.
6. In the event of a general reduction or increase of our prices in the period between the confirmation of order and delivery, the price valid on the day of delivery is invoiced. Price increases are permitted, if they are the result of changes in pricing factors that were unforeseeable at the time of the conclusion of the contract; the level of the price increase must be justified by the change in the pricing factors and the buyer must be notified thereof within a reasonable period. This regulation applies to non-merchants only in the event of deliveries with a due date later than four months after the conclusion of the contract. In the case of a price increase, the buyer is entitled to withdraw from the purchase contract. Neither of the contracting parties is entitled to derive any rights, in particular claims for damages, from this provision.
7. Any changes of customs duties and other charges concerning the product or freight occurring after the purchase shall accrue to the buyer.

4 Delivery and Performance

1. Deliveries are made ex works.
2. Unless a fixed period or a fixed date has explicitly been promised or agreed, proposed deadlines and dates for deliveries and services announced by the seller are always only approximate. If shipping has been agreed, the delivery periods and delivery dates refer to the time of handover to the shipper, carrier or other third parties commissioned with the transport.
3. Without prejudice to his rights arising from default of the buyer, the seller is entitled to demand from the buyer an extension of the delivery and performance periods or postponement of delivery and performance dates for the period in which the buyer does not meet his contractual obligations with regard to the seller.
4. In individual cases the agreed delivery periods are subject to the proper and punctual availability of raw materials from our own suppliers. We are not responsible for delayed

delivery or non-delivery, if these are due to circumstances beyond our control, especially in the case of force majeure, fire, flood, war, governmental measures, failure of equipment, accidents, strikes, lack of labour and difficulties of procuring material, packaging or transport capacity. Due to such circumstances that affect the settlement of the purchase contract, we are entitled to extend delivery by the corresponding time delay or, in the event of longer delays, to withdraw from the contract.

5. The seller is entitled to partial deliveries and partial services, if
 - the customer is capable of using the partial delivery within the contractual purpose;
 - delivery of the remaining goods ordered is ensured and
 - the buyer does not incur any material additional expenses or additional costs (unless the seller agrees to bear these costs).
6. Buyer's claims for damages due to delay or impossibility of performance are limited, in the case of slight negligence, to the amount of the purchase price of the delayed or non-delivered part of the delivery. This regulation applies to merchants also in the event of gross negligence on the part of the seller's vicarious agents.
7. Compliance with the delivery and service obligations of the seller is based on the buyer's timely and proper fulfilment of his obligations. If the buyer is in default of acceptance, the seller is entitled to claim damages thereby incurred.

5 Place of Performance, Shipping, Packing, Transfer of Risk, Acceptance

1. Unless otherwise specified, the place of fulfilment for all obligations arising from the contractual relationship is Lichtenfels, Germany.
2. The method of shipping and the packaging are subject to the dutiful discretion of the seller.
3. The risk is transferred to the buyer as soon as the delivery is handed over (the beginning of the loading process being decisive) to the shipper, carrier or another third party commissioned with the shipping. This regulation also applies in the event of partial deliveries. If the shipment or the handover is delayed in consequence of circumstances for which the buyer is responsible, the risk is transferred to the buyer as from the day on which the seller is ready to ship and notifies the buyer thereof.
4. Storage costs following the transfer of risk shall be borne by the buyer. In case of storage by the seller, storage costs amount to 0.25% of the invoice amount of the delivery items to be stored per previous week. The right of assertion and the verification of additional or lower storage costs are reserved.
5. Only at the express request of the buyer and at his expense, the seller insures the shipment against theft, transport, fire and water damage or other insurable risks.

6 Warranty, Liability

1. The warranty period is one year from delivery.
2. The delivered goods must be carefully examined immediately after delivery to the buyer or the third party specified by him. They are deemed to be approved if the seller does not receive a written notification of defects pertaining to visible or other defects, which need to be identified following an immediate and thorough inspection, within seven working days after delivery of the goods or otherwise within 7 working days after the discovery of the defect, or the date on which the defect was identified by the buyer during normal usage of the delivered items without closer inspection.
3. At the request of the seller, the item delivered that forms the object of the complaint must be returned to the seller, carriage paid. If the notification of defects is justified,

the seller will reimburse the costs of the cheapest shipping method; this regulation does not apply insofar as the costs increase because the delivered item was at a place other than the place of its intended use. In the case of material defects of the delivered items, the seller is obliged and entitled to choose, within a reasonable period of time, between subsequent improvement or replacement delivery. In the case of failure, i.e. the impossibility, unacceptability, refusal or undue delay of the subsequent improvement or replacement delivery, the buyer is entitled either to withdrawal from the contract or to a reasonable reduction of the purchase price.

4. In the event that the goods have been sold by sample and the buyer does not approve of the sample or if the buyer has examined the batch, the warranty rights with regard to deficiencies in the sample of the examined batch are excluded.
5. The warranty is not applicable, if the buyer changes the delivered item or allows a third party to make changes without the consent of the seller, and if such alteration of the delivered item makes the elimination of defects impossible or unreasonably difficult. In any case, the additional costs incurred by the removal of defects are borne by the buyer.
6. All warranty claims are deemed to be invalid if the buyer does not give us the opportunity to examine the identity of the faulty goods and the defects described, and if he fails to make available the requested samples immediately. Claims are also deemed void if the processing of the goods or a mixture of the goods with goods of another origin is not stopped immediately after discovery of the defects.
7. As a rule, specified notices of defects are excluded after processing of the goods. The contractual condition of the goods is defined at the point when the goods leave the warehouse. The buyer is not entitled to return goods without our consent.
8. Warranty claims expire no later than one month after the written rejection of the claim by us. Notices of defects do not entitle the buyer to withhold payments.
9. We are liable for certain characteristics of the goods only if they have been expressly agreed in writing in the order confirmation.
10. Our technical advice in word and writing is not binding, also in relation to possible protection rights of third parties, and does not release the customer from his own examination of the products supplied by us for their suitability for the intended processes and purposes. The buyer assumes all claims that may be brought against us from any infringement of third-party property rights by the importation or use of the goods supplied by us.
11. Any further legal or other liability, irrespective of the legal reason, also from Section 823 et seq. of the German Civil Code (BGB), or warranties as to the quality of the delivered goods or their suitability for a particular purpose is hereby excluded, except in cases of gross negligence.

7 Reservation of Ownership

1. The following conditions on reservation of ownership are designed to safeguard all current and future claims of the seller against the buyer from the supply relationship between the contracting parties (including balance claims from a current account relationship limited to this supply relationship).
2. All goods delivered by the seller to the buyer remain the property of the seller until all his secured claims have been paid for in full. The goods, as well as the goods included in the reservation of ownership to take their place in accordance with this clause, are referred to as reserved goods.
3. The buyer must keep the reserved goods in safe custody for the seller free of charge.

4. The buyer is entitled to process and resell the reserved goods in normal business transactions until the occurrence of the enforcement event. Pledging and collateral assignments are inadmissible.
5. A resale of the reserved goods is only allowed in the normal course of business. Access of third parties to the goods and receivables belonging to us are to be notified immediately to us by the buyer.
6. If the reserved goods are processed by the buyer, it is agreed that the processing is made in the name and for the account of the seller as manufacturer and that the seller acquires direct ownership or, where the materials processed come from several owners or the value of the processed item is higher than the value of the reserved goods, co-ownership (fractional ownership) in the newly created goods in the ratio of the value of the reserved goods. In cases where no such ownership is acquired by the the seller, the buyer herewith transfers his future ownership, or co-ownership in the above mentioned ratio, in the newly created goods as collateral to the seller. Should the reserved goods be combined or inseparably intermingled with other goods to constitute a uniform item and one of the other goods must be regarded as the main item, then the seller, insofar as the main item belongs to him, transfers his co-ownership in the uniform item proportionally to the buyer in the ratio specified in sentence 1.
7. In the event of a resale of the reserved goods, the buyer herewith transfers the resulting claims against the purchaser—in the case of co-ownership of the seller, proportionally in accordance with the latter's share of co-ownership—to the seller. The same applies for any other claims taking the place of the reserved goods or otherwise occurring with regard to the reserved goods, such as insurance claims or claims arising from tort in case of loss or destruction. The seller revocably authorises the buyer to collect the receivables assigned to the seller in his own name for the account of the seller. The Seller is entitled to revoke this authorisation only in the case of an enforcement event.
8. Should third parties lay claim to the reserved goods, in particular through seizure, the buyer shall immediately bring the ownership of the seller to their attention and inform the seller thereof to enable him to assert his rights of ownership. Should the third party not be in a position to reimburse the judicial or extra-judicial costs incurred in this context to the seller, the buyer shall be liable for such costs to the seller.
9. The seller shall release the reserved goods as well as any other items or claims taking the place of the reserved goods on request at his discretion, insofar as their total value exceeds the level of secured claims by more than 50%.
10. If the seller, in the event of any breach of the contract by the buyer, especially delayed payment, withdraws from the contract (enforcement event), the seller shall be entitled to demand return of the reserved goods.

8 Place of Jurisdiction, Applicable Law, Partial Invalidity

1. The exclusive place of jurisdiction for all claims and disputes arising directly or indirectly from the transactions concluded by us, including changing liabilities and actions on a bill of exchange, is Lichtenfels, Germany.
2. The relationship between seller and buyer is subject exclusively to the law of the Federal Republic of Germany.
3. We are entitled to process the data relating to the buyer obtained in respect of our business relations with him or in connection with the same subject, whether from the

buyer or from third parties, in accordance with the German Federal Data Protection Act.

4. Insofar as these General Terms and Conditions of Business and Delivery contain any loopholes, the resulting gap shall be filled with those legally effective provisions which the contracting partners would have agreed according to the commercial aims of the contract and the purpose of the General Terms and Conditions of Business and Delivery, if they had known this loophole.
5. Should one of the above provisions be or become ineffective, the effectiveness of the remaining provisions shall not be affected. The ineffective provision shall be replaced by a provision which best reflects the economic purpose of the ineffective provision.

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