

EPOXONIC GmbH, Reactive Resin Systems

Conditions of Sale and Delivery

0. General

- 0.1 All commercial transactions with companies and legal persons are subject to the following conditions that apply to all our offers, deliveries and services unless otherwise agreed in writing.
- 0.2 Varying conditions will only apply if explicitly accepted by us in writing.
- 0.3 Our conditions also continue to apply if while aware of orderer's conflicting or varying terms and conditions we carry out a delivery without express reservation of our own conditions.

These conditions also apply to all future deliveries to the orderer.

1. Conclusion of delivery contract

- 1.1 Oral agreements made before or during the conclusion of the contract only become effective if confirmed in writing by us.
- 1.2 We can withdraw from the contract if the orderer fails to accept our offer within 3 months of receipt.

2. Delivery, terms of delivery, delays

- 2.1 Deliveries are of type-conform merchandize with properties agreed upon. We reserve the right to deviations of properties within usual tolerances.
- 2.2 In the event of acts of God – also those affecting our suppliers – we can postpone the execution of orders for the duration of the act if we are not able to avert the consequences despite taking reasonable care. If delivery dates cannot be met due to acts of God, the terms of delivery will be reasonably extended.
- 2.3 Our terms of delivery will start and delivery dates will be met on condition that the orderer fulfils his obligation to cooperate, in particular by duly supplying any necessary release documents and observing the agreed conditions of payment. If these conditions are not duly and properly fulfilled, the delivery terms will be reasonably extended; this does not apply if the supplier is solely responsible for the delay.
- 2.4 If our delivery is delayed, if requested by us the orderer must declare to us within a reasonable term whether he wishes to withdraw from the contract and/or wishes to claim compensation instead of delivery or still wishes delivery.
- 2.5 Claims for compensation for damages by the orderer due to delayed delivery are subject to section 9.
- 2.6 Part deliveries and corresponding invoicing is permitted, unless it is unreasonable to expect the orderer to accept this.

3. Packaging

- 3.1 Deliveries also include packaging unless the packaging is explicitly lent.
- 3.2 Packaging which is lent should be returned by the purchaser carriage paid as soon as possible.
- 3.3 Special packaging will be charged separately.
- 3.4 If goods that are branded with our trade mark are used in another product, the use of our trademark in connection with that other product is only permitted with our written approval.

4. Transfer of risks

- 4.1 The delivery is "EXW" (INCOTERMS 2010) unless otherwise agreed in writing.
- 4.2 We shall have fulfilled our delivery obligations when our goods leave the works or warehouse or are handed over to a carrier. At that point in time all risks pass to the purchaser.

5. Invoicing

Invoicing is performed with the prices valid on the day of delivery plus sales tax. Sales tax is always invoiced except for export deliveries which are exempt from sales tax.

6. Payment conditions

- 6.1 Unless otherwise explicitly agreed in writing, payment must be made without any deduction within 14 days of the invoice date.
- 6.2 We are entitled to set off payments against the oldest account receivable.
- 6.3 If the term of payment is exceeded we are entitled to claim default interest of 8 per cent above the base rate. Claims for further damages are not affected.
- 6.4 Payment by bill of exchange is permitted only by prior agreement. Bills of exchange and checks are only accepted conditionally and are not valid until they have been honoured. Bank charges will be borne by the orderer.
- 6.5 If the orderer is in default of payment, we have the right to demand immediate payment of all due and undisputed accounts receivable arising from the business relationship. This right is not affected in case of respite of bills of exchange or checks.
- 6.6 Counterclaims can be set off by the orderer only if they are undisputed or legally binding counterclaims. The orderer does not have any right of retention.

7. Complaints and notification of defects

- 7.1 The orderer can not refuse to take delivery of goods because of minor defects.
- 7.2 The orderer must notify us without delay of recognizable material defects at least 15 days after receipt of goods. The orderer must notify us in writing of other defects as soon as they are discovered. Authoritative is the date of receipt of the notice by us.
- 7.3 If complaints are not reported in good time, claims of liability for faults are excluded.

8. Liability for material defects

- 8.1 A right to claims for damages expires after 12 months unless the law prescribes longer limitation periods for claims for damages as per section 9, in accordance with § 479 para. 1 in the case of a recall or § 438 para. 1 no.2 for structures and things used in structures and with § 634 of the German Civil Code for structural defects.
- 8.2 The limitation period for material defects begins when the goods are handed over (transfer of risk).
- 8.3 If a material defect is found within the period of limitation and the cause already existed when the risk was passed on, we can remedy the fault at our discretion by either repair or redelivery.
- 8.4 Remedying a defect does not renew the limitation period.
- 8.5 If the remedy is ineffective, the orderer can withdraw from the contract or reduce the payment without losing his right to claim compensation for damages.
- 8.6 Claims by the orderer for expenses made to remedy a fault, in particular for transport, work and material costs, are excluded if these expenses are higher because the goods were moved to a place other than the orderer's domicile unless that move accords with the intended use.
- 8.7 !Claims for material defects cannot be made for minor deviations from the agreed properties or for minor restrictions on usability.
- 8.8 Material defects do not include
- Composition of goods or damage which occurred after the transfer of risk owing to incorrect handling or storage or failure to obey handling instructions; composition of goods or damage due to acts of God, in particular caused by events not contractually foreseen because the goods are used for a purpose other than that contracted or intended;
 - Exceeding the best-before specifications
- 8.9 The right of the orderer to withdraw is only valid insofar as the orderer has not agreed with his

- customer to remedy defects beyond the legal liability for defects, e.g. on a goodwill basis.
- 8.10 Otherwise our liability for compensation for damages and frustrated expenses for material defects is covered by § 284 of the German Civil Code (BGB). Further and other claims by the orderer other than claims stipulated in section 9 are excluded.
- 8.11 Conditions as stipulated in section 9 will apply accordingly for defects of title not caused by infringement of copyrights of third parties.
- 9. General limitations of liability**
- Unless otherwise stipulated in these conditions of delivery, we accept liability for frustrated expenses as defined in § 284 of the German Civil Code (hereinafter damages) in consequence of breaches of contractual or non-contractual obligations only in cases of intent or gross negligence of our statutory representatives or persons employed by us in the performance of our obligations, in cases of injuries to life, body or health, in consequence of warranty or procurement risk acceptance, breaches of principal contractual obligations, due to compulsory liability as defined in the German Product Liability Law, or other compulsory liability. Damages for a breach of a substantial contractual obligation are, however, limited to the foreseeable damage, typical for the type of contract, except in the event of intent or gross negligence by our statutory representatives or employees or in case of death, physical injury or in case of breach of a guarantee or procurement risk assumed by us. The above provisions do not imply a change in the burden of truth to the detriment of the purchaser.
- 10. Reservation of proprietary rights**
- 10.1 We reserve the right to ownership of the delivered goods as long as we have claims for payment against the orderer which arise out of this business relationship.
- 10.2 The orderer is obliged to inform us before including his own accounts receivable in a factoring contract.
- 10.3 The orderer is however authorized to process and/or sell the delivered goods within the framework of his properly conducted business operations.
- 10.4 By processing our goods, the orderer, who processes the goods for us, does not acquire ownership of the newly created goods. If our goods are processed, connected or integrated in material not owned by us, we acquire co-ownership of the newly created goods in terms of value in proportion to the share of value of our goods delivered with retention of title in the products created by processing, connecting or integrating. In such cases the orderer shall act to protect our interests.
- 10.5 If within the conduct of his business operations, the orderer sells our goods delivered with retention of title without making immediate payment to us, claims for compensation equivalent to the value of ownership or co-ownership is transferred to the seller irrespective of whether the goods delivered with retention of title are sold without or after processing, connecting or integration. A special act of transfer is not required for the claim to be created. The orderer is authorized and obliged to make claims assigned by us until we revoke this empowerment. The orderer shall if requested by us inform us without delay to whom he has sold our delivered goods and which claims he acquires from the sale.
- 10.6 If the value of securities exceeds the value of our accounts receivable by more than 20 per cent, we will release fully paid deliveries of our choice.
- 10.7 If the orderer acts in breach of his commitments, we are authorized to demand that goods be returned to us without a withdrawal from the purchase contract. The orderer then no longer has any right to the goods delivered with retention of title.
- 10.8 If third parties claim or assert rights to goods delivered with retention of title, the orderer is obliged to notify us of this without delay.

- 10.9 Immediately after the purchaser has stopped payments – and immediately after giving notice of such stoppage – the purchase must send us a list of all remaining goods delivered with retention of title, including those which have been processed, and a list of claims against third-party debtors.
- 10.10 An application for the opening of insolvency proceedings against the orderer entitles us to withdraw from the contract and to demand immediate return of delivered goods.

11. Place of fulfilment, court of jurisdiction, concluding conditions

- 11.1 In any of these conditions are wholly or partly ineffective, all other conditions still remain applicable. The contractual parties will then agree in writing to replace the ineffective conditions with other conditions as commercially close as possible to the ineffective conditions.
- 11.2 The court of jurisdiction is Munich. We reserve the right to appeal to a court seated at the registered domicile or a branch office of the orderer.
- 11.3 German law shall apply exclusively for all legal relationships between us and this excludes conflict of laws and the provisions of the United Nations Convention on the International Sale of Goods (CISG).