

General Terms and Conditions of Business

Convertec Veredelungs Technologie GmbH, Heideweg 2-4, D-77880 Sasbach

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1. Scope

a) The Seller shall deliver goods exclusively in accordance with the following conditions. These apply to business relations with companies within the meaning of Section 310(1) BGB (German Civil Code). These conditions also apply to all future deliveries, including if they are not expressly agreed upon each time. The Buyer's terms and conditions of business and delivery shall only be deemed valid if the Seller acknowledges them in relation to entering into the respective contract. Agreements that amend these conditions shall only come into force following written confirmation by the Seller.

b) German law applies. German is the contract language.

2. Offers and acceptance

The Seller's offers are not binding, but rather are to be understood as a request for the Buyer to make a purchase offer.

3. Product quality, samples and specimens, guarantees

a) In the absence of agreements to the contrary, the quality of the goods shall be stated in the Seller's product specifications.

b) Characteristics of samples and specimens shall only be binding provided they have been expressly agreed upon as the quality of the goods.

c) Details regarding quality and shelf life and other details shall only be deemed guarantees if they are agreed upon and described as such.

4. Price

If the Seller's suppliers increase the purchase price payable by the Seller following expiry of four months after entering into this contract, the Seller shall be entitled in dealings with the Buyer to likewise increase the sales price agreed with the Buyer by the amount by which the purchase price has been increased. The same applies if following expiry of four months the wages or material costs increase, or the exchange rates change.

5. Point of delivery

Risk shall pass to the Customer as soon as the goods are handed over to the transport company.

6. Payment and default in payment

a) The payment period is ten days after the invoice date subject to a trade discount of 2 % or 30 days without deductions provided a written agreement to the contrary has not been entered into. A trade discount shall not be granted in the case of invoice claims as long as older invoice claims are unpaid.

b) In the case of invoicing in a currency other than the euro, the Seller shall be entitled, in the event of default in payment, to charge interest on delinquent accounts of 8 % points above the discount rate of the country's central bank in the currency in which it was invoiced.

7. Buyer's rights in the case of defects

a) The Buyer's rights regarding defects presuppose that the Buyer has honoured its obligations to inspect and provide notification of defects in accordance with Section 377 HGB (German Commercial Code).

b) If the object of sale is faulty, the Seller undertakes, at its own discretion, to initially provide subsequent improvement in the form of rectification of defects or delivery of a fault-free item. In the event of rectification of defects, the Seller shall only incur expenses up to the amount of the purchase price. If attempts at subsequent performance have failed, or if subsequent performance is unacceptable for the Buyer, the Buyer may, at its own discretion, request a reduction in price or withdrawal.

c) The Seller shall be liable in accordance with the statutory provisions, provided the Buyer asserts claims for damages based on intent or gross negligence, including intent or gross negligence on the part of the Seller's representatives or vicarious agents. Insofar as blame for intentional breach of contract is not apportioned to the Seller, liability for compensatory damages shall be limited to foreseeable, typical damage.

The Seller shall be liable in accordance with the statutory provisions provided it culpably violates a key contractual obligation. However, in such a case, liability for compensatory damages shall be limited to foreseeable, typical damage. This does not affect the liability regarding culpable loss of life, physical injury or detrimental effects on health. This also applies to mandatory liability in accordance with the German Product Liability Act.

d) In the absence of agreements to the contrary, liability is excluded.

e) The period of limitations for warranty claims is 12 months calculated from the passing of risk.

8. Liability

Further-reaching liability for compensatory damages than that specified in No. 7 of these General Terms and Conditions of Business is excluded without consideration given to the legal nature of the asserted claim. This applies, in particular, to claims for damages arising from culpability in the case of entering into a contract, regarding other violation of an obligation or regarding tortious claims for compensation for material damage in accordance with Section 823

BGB. This limitation also applies provided the Buyer requests compensation for expenses incurred in vain instead of a claim for compensatory damages. Insofar as the Seller is exempt from liability for compensatory damages or limited liability for compensatory damages applies to the Seller, this shall also apply to the personal liability for compensatory damages of the Seller's white-collar workers, employees, workers, commercial agents and vicarious agents.

9. Setting off

The Buyer may not set off its own claims, or those assigned to the Buyer, against the Seller if the claims are disputed by the Seller or have not become res judicata.

10. Reservation of title

a) The Seller reserves the right to ownership of the delivery item up until receipt of all payments resulting from the existing current account relationship (business association) with the Customer. The reservation applies to the acknowledged balance.

b) The Buyer is not entitled to transfer ownership of the delivery item, or pledge it, to third-parties by way of security. The Buyer is to inform the Seller in writing without delay in the event of seizure or other intervention on the part of third-parties so that the Seller can bring an action in accordance with Section 771 ZPO (German Code of Civil Procedure). Insofar as the third-party is not in a position to reimburse the Seller for court or out-of-court cost of an action in accordance with Section 771 ZPO, the Buyer shall be liable for the sustained loss.

c) The Buyer is entitled to resell the delivery item during the ordinary course of business. However, the Buyer assigns to the Seller at this point in time all claims in the sum of the final invoice amount (including VAT) of its claim against its customers or third-parties to which it is entitled as a result of reselling the delivery item, irrespective of whether the goods have been resold without or after processing. The claim assigned to the Seller by the Buyer in advance also refers to the acknowledged balance, and in the event of insolvency on the part of the customer refers to the 'causal' balance that applies in such a case. The Buyer shall retain its authorisation to collect this claim, including following the assignment. This does not affect the Seller's authority to collect the claim. However, the Seller undertakes not to collect the claim as long as the Buyer honours its payment obligations resulting from the collected revenue, does not default in payment and, in particular, an application for the institution of insolvency proceedings has not been filed or payments are not discontinued. If this is the case, the Seller may request that the Buyer discloses to the Seller the claims assigned to the Buyer and the Buyer's debtors, that the Buyer provides the Seller with all the details required for collection, makes available the appertaining documents and informs the debtor (third-party) of the assignment.

d) The goods shall be processed or reformed by the Buyer at all times on behalf of the Seller. If the goods are processed with other items that do not belong to the Seller, the Seller shall acquire co-ownership of the new item in the proportion of the value of the delivery item (final invoice amount including VAT) to that of the other processed items at the time of processing. In other respects, the item created by way of the processing is subject to the same provisions that apply to the goods delivered as reserved goods.

e) The Seller undertakes at the Buyer's request to release the securities to which the Seller is entitled, provided the realisable value of its securities exceeds the claims to be secured by more than 10 %. The Seller is free to choose the securities that are to be released.

f) The Buyer undertakes to adequately insure the goods that are solely or jointly owned by the Seller against fire and theft. The corresponding claims are deemed settled upon delivery of the goods.

11. Force majeure

All events and circumstances that occur outside the Seller's sphere of influence, such as war, natural phenomena, industrial disputes, scarcity of raw materials and energy, traffic and operational disruptions, damage caused by fire or explosion and sovereign acts shall release the Seller for the duration of the disruption and the extent of their effects from its obligations as per agreement. This shall also apply provided the events and circumstances render executing the affected business transaction permanently uneconomical for the Seller or affect the Seller's suppliers. If such events last longer than 3 months, the Seller shall be entitled to withdraw from the contract.

12. Place of performance and place of jurisdiction

a) The Seller's registered office in D-77880 Sasbach is deemed the place of performance for all claims resulting from this contract, provided the Customer is a merchant.

b) The court with jurisdiction for the Seller's registered office is deemed the place of jurisdiction for all claims resulting from this contract, including in the case of matters involving bills of exchange or cheques, or – at the Seller's discretion – the Buyer's general place of jurisdiction, provided the Buyer is a merchant.