

General Terms and Conditions of Sale

1. General

- 1.1 Our Terms and Conditions of Sale shall apply exclusively. We do not accept the terms and conditions of the Customer that oppose or deviate from our Terms and Conditions of Sale, unless we have expressly agreed to their validity. Our Terms and Conditions of Sale shall equally apply, if we have effected delivery to the Customer without reservation, despite being aware of the Customer's terms and conditions opposing or deviating from our Terms and Conditions of Sale.
- 1.2 In addition, the Incoterms of the International Chamber of Commerce in Paris in their most recent version shall apply.
- 1.3 Verbal agreements established prior to or during contract closure shall only take effect with our written confirmation.
- 1.4 Our quotations are non-binding, exclude any obligation and are subject to prior sale. Illustrations, descriptions, dimensions and weights listed in brochures or similar documents are non-binding. Quotations expressly designated as binding become null and void 90 days from the date of the quotation unless they are extended by us in writing.
- 1.5 Invoicing shall be made on the basis of the weight dispatched.

2. Delivery

- 2.1 Terms of delivery are only binding if this is agreed in writing. The period of the term of delivery begins upon conclusion of the contract, but not before the customer fulfils existing obligations to cooperate, especially the payment of agreed down payments or the issuance of the agreed release order by the customer. If the customer is in default with the release order, we are entitled at our discretion either to dispatch the goods to the customer against invoice or to store them and invoice the cost of storage at the normal rates.
- 2.2 Should our suppliers not deliver goods or raw materials that are required to produce the goods sold, or not deliver these according to contract or on time, and we are not responsible for this, we shall be exempted from the duty to perform for the duration of the disruption and to its extent. Should delivery be delayed for more than 6 weeks, the Parties shall be entitled to withdraw from the contract with regard to the quantity affected by the disruption, without the Contracting Party deriving any claims for compensation from this. This shall also apply, if we are in default. We are obligated to inform the Contracting Party immediately, if the goods are not available and, in the event of withdrawal, to refund possible payments already made by the Contracting Party without delay.
- 2.3 Partial deliveries and the relevant partial invoices are acceptable to a reasonable degree.
- 2.4 To a reasonable extent, returns have to be coordinated with us in advance.

3. Force Majeure

Force majeure and other delivery disruptions, for which we are not responsible, such as legal strikes or lockouts, a general shortage of raw materials, measures by state authorities, import and export restrictions, wars and riots, sabotage, unforeseen disruptions in operation for which we are not responsible, machine and operations stoppages, disruptions in traffic and transport, exempt us from the obligation to deliver for the duration of the disruption and to the extent of its effect. Should the delivery be delayed by more than 6 weeks, the Parties are entitled to withdraw from the contract with regard to the quantity affected by the delivery disruption, without the Contracting Party deriving any claims for compensation from this. This shall also apply, if we are in default. We are obligated to inform the Contracting Party immediately, if the goods are not available and, in the event of withdrawal, to refund possible payments already made by the Contracting Party without delay.

4. Dispatch, Packaging

4.1 The mode of dispatch is at our discretion and the customer will be notified accordingly in the order confirmation. Unless otherwise agreed in writing, our prices apply ex works plus value-added tax at the currently valid rate. The cost of packaging can be invoiced separately.

4.2 Returnable Packaging (as described in Trevira Catalogue “Returnable items and multi-route packaging”) remain the property of Trevira and must be returned freight paid in good condition (clean and undamaged) and without residual product to Trevira in Guben, within 8 weeks of the date of invoice if not agreed upon otherwise. The customers are responsible for any returnable packaging received. The risk of destruction or deterioration of the reusable and returnable packaging only passes to us, when it has been received at Trevira in Guben. Until such time the Customer shall carry the risk.

Failing the above mentioned conditions, upon our demand the customer must:

- a. pay for cleaning, disposal and/or repair costs, if the packaging is not returned in good condition,
- b. pay a rental fee, if the packaging is not returned within the specified 8 weeks,
- c. reimburse the full replacement costs if the packaging is not returned within 9 months, the packaging is lost or damaged beyond repair.

The customer returning the packaging has to notify us in advance regarding the type, quantity and planned arrival date of the shipment.

4.3 Non-returnable packaging and packaging aids may be retained by the customer and may be reused only after the removal of our company logo, name and trademarks.

To the extent that we are so required by law, we will take back packaging at the customer's request.

5. Assumption of risk

The customer assumes all risk for accidental degradation or loss of the goods as soon as the dispatch leaves our factory.

6. Rights of the customer in case of defects

6.1 We warrant that our goods that are of the agreed standards of quality. In terms of the standards of quality of the goods, only the agreed product description/specifications apply in each case. Public statements, promotions or advertisements do not constitute supplementary quality data beyond such product specifications. In particular and unless otherwise expressly agreed, we accept no liability for the suitability of the goods for the customer's intended use to the degree and extent that this deviates from the normal usage of the goods.

6.2 If the goods are defective, the customer may at first only demand the supply of replacement goods. The right to the elimination of defects is generally excluded, because this will be generally unreasonable or impossible. The rejected goods shall be returned to our shipping address. We shall cover any necessary costs (transport costs) incurred by the customer relative to the supply of replacement goods.

6.3 A right to withdrawal from the contract or reduction in price exists only if we have failed to supply replacement goods within two weeks after written notification of the defect(s) and demand for the supply of replacement goods on the part of the customer.

6.4 The defect claims are null and void if

- a) the supplied goods have been substantially modified by a third party or through compounding/mixing with substances from other sources, unless the modification has no causal relationship with the defect;

b) procedures for handling or use are not followed, unless this has no causal relationship with the defect.

6.5 The right to make claims for defects expires 12 months after completion of delivery of the goods to the customer.

6.6 We accept no responsibility for any problems that may arise due to the respective statutory regulations in connection with the resale or use of our products abroad.

7. Complaints

7.1 The customer must check whether the goods supplied comply with the contractually agreed standards of quality and are suited to their intended purpose. Complaints due to incomplete or incorrect deliveries or due to externally obvious defects must be notified to us in writing without delay. Other defects must be notified to us in writing immediately upon discovery, and in any event within 12 months of receipt of goods. The definitive date in each case is the date on which we receive notification of defect or complaint.

7.2 The control documents that we have included with the goods must be sent to us together with the complaint notice. For complaints related to goods that have been resold, proof of the resale date must also be provided.

7.3 In case of failure to notify us of complaints or defects within the time specified per Section 6.1, the customer's right to make claims for defects of the goods is excluded.

8. Liability

8.1. We shall be exempt from liability for slightly negligent breach of duty, as long as this does not involve damages from injury to life, limb and health, or affect no-fault liability claims, in particular those pursuant to the product liability act.

8.2 In the case of slightly negligent violation of obligations, the fulfilment of which makes the due performance of the contract possible in the first place, and whose fulfilment the Customer may normally rely upon (cardinal contract obligations), our liability shall be limited to the typical foreseeable damage, which amounts at most to the order value of the contract that the event leading to liability is based on.

8.3 The Customer's recourse action according to Art. 478 BGB [German Civil Code] shall be expressly limited to the statutory rights.

8.4 The above shall equally apply to violations of obligations by our legal representatives and vicarious agents.

9. Retention of title

9.1 We shall retain title to the delivered goods until full settlement of all claims owed or to be owed to us – on whatever legal grounds – as a result of the business relation with the customer. Our title shall extend to cover the new products created when the goods subject to reservation of title are processed. Such processing shall be done on our behalf as the manufacturer. If the said goods are processed, compounded or mixed with other materials not belonging to us, we shall acquire co-ownership thereof in the ratio of the invoiced value of our goods subject to reservation of title in proportion to the invoiced value of the other materials.

9.2 The customer shall be entitled to resell the goods in the ordinary course of business. The customer here and now assigns to us all claims incurred from the resale of the goods along with all ancillary rights. If goods jointly owned by us are sold, the proportion assigned shall be limited to the share of the claim that corresponds to our share of the jointly owned goods. If the processing is performed under a contract for work, the compensation for work performed and materials supplied is here and now assigned to us in the amount of the proportional share of our invoice for the jointly processed goods subject to reservation of title. The assigned claims shall serve to safeguard all rights according to Section 8.1. The customer

shall be entitled to collect the assigned claims. The rights pertaining to this section may be revoked if the customer fails to fulfill his contractual obligations to us properly, particularly in case of default of payment. These rights shall become null and void, even in the absence of explicit revocation, if the customer permanently stops his payments. At our request, the customer must report the identity of the parties who acquired the goods owned or jointly owned by us in writing without delay along with the claims incurred from the resale of the goods and must also submit a certified public document to us at his expense assigning the claims.

- 9.3 The customer shall not be entitled to other dispositions over the items subject to reservation of title or jointly owned by us, nor over the claims assigned to us. The customer must inform us without delay of attachments or other legal impairments to the claims belonging to us wholly or in part. The customer shall bear all costs of rescinding the third-party appropriation or seizure of our property subject to reservation of title or pledged as security and of reprocurring the items to the extent that such costs cannot be collected from third parties.
- 9.4 In the event of default of payment or other culpable breach of contractual obligations on the part of the customer, we shall be entitled to demand the restitution of our goods that are jointly-owned or subject to restriction of title, even without prior withdrawal from the contract. If we exercise this right, withdrawal from the contract shall be deemed to occur – other binding legal provisions notwithstanding – only if we expressly declare such withdrawal in writing.
- 9.5 If the total value of the security we have been granted exceeds our claims by more than 20%, then we shall release security of our own choosing in this amount at the customer's request.
- 9.6 If, under the statutory regulations applicable in the customer's country, retention of title is not admissible or is admissible only to a limited extent, then the scope of our aforementioned rights shall be restricted to that which is legally admissible.

10. Brands / trade names

Our brands and trade names may not be used in connection with product manufactured by the customer without our special written consent.

11. Payments

- 11.1 Unless otherwise agreed in writing, the full purchase price must be paid within 10 days of date of invoice. We can, however, render the delivery contingent on graduated payment or pre-payment.
- 11.2 We may offset payments against the oldest outstanding claim.
- 11.3 If the payment term is exceeded, we may demand interest on arrears in the amount of 8% per annum above the corresponding base interest rate of the Deutsche Bundesbank in accordance with § 247 of the German Civil Code (*Bürgerliches Gesetzbuch*). The reference interest rates must be set higher (or lower) if the we or the customer provide proof of a higher (or lower) cost of servicing the debt.
- 11.4 Payment by means of bills of exchange is permissible only with prior agreement. Bills of exchange and checks will only be accepted in place of payment and shall be considered as valid only upon payment.
- 11.5 If the customer defaults payment, we may demand immediate cash payment of all outstanding and undisputed claims arising from the business relation. This right shall not be excluded by a deferral or the acceptance of checks or bills of exchange. If the customer's financial situation deteriorates significantly after contract closure and he is unwilling to cede to demands for graduated or security payments, we may also withdraw from the contract. Further statutory rights shall be unaffected.

11.6 The customer may offset only against claims that are uncontested or have been recognized with final and binding effect.

12. Applicable law / Jurisdiction

12.1 This contract and the entire legal relationship between the parties shall be subject to the law of the Federal Republic of Germany. Application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.

12.2 The place of jurisdiction shall be Frankfurt am Main or, if we so choose, a court that has jurisdiction for the customer's registered office or one of its branch offices.

12.3 If individual provisions of this contract are or become invalid or are deficient, this shall not affect the validity of the remaining provisions.

August 2011
Trevira GmbH