

General Terms & Conditions of Dipsol Europe GmbH

I General

1. All offers and agreements are subject to these General Terms & Conditions. Any placement of an order or acceptance of a delivery shall be deemed as acceptance of these Terms & Conditions. Any deviating conditions on the part of the Customer shall not be effective, even where these have not been expressly disagreed. The Customers terms & conditions shall only apply in case, in exceptional circumstances, we have agreed to them in writing.

2. Deviations, amendments, and collateral agreements and declarations shall be ineffective unless confirmed by us in writing.

3. We reserve all property and copyright protected user rights to cost estimates, illustrations, technical specifications, programs and other documents. These may not be made available to third parties without our prior written approval and, in case the Customer does not place an order, must be returned to us immediately upon request.

Paras. 1 and 2 shall also apply to documents provided by the Customer. However, we reserve the right to make such documents available to third parties to which we have legitimately transferred a delivery order.

II. Offers and prices

1. Any approximate offers or estimates, calculations, specifications etc. shall not be binding on us unless expressly agreed in writing.

2. All offers are subject to change. No contract shall be deemed to have been concluded between the parties until we have issued a written confirmation of order.

3. Deliveries and invoices shall be subject to the terms & conditions applicable on the date of delivery or collection of the goods. All prices stated are ex works or ex warehouse and are exclusive of packaging and forwarding costs and VAT.

III. Delivery

1. The risk of transport of the goods shall be borne by the Customer. Accordingly, it is at the Customers discretion to decide the location to which the goods are to be delivered.

2. Delivery dates and periods shall not be binding unless expressly confirmed in writing, where machines are delivered only after receipt of an agreed down payment. In case the Customer fails to observe a deadline for the opening of a letter of credit or payment dates, we shall be entitled to withhold delivery of the goods for the duration of the delay.

3. In the event of force majeure, which includes fires, explosions, floods etc., measures by public authorities and other unforeseeable circumstances such as strikes, lockouts etc. on our premises or those of our suppliers of materials, we shall be released from our obligation of timely delivery and, in addition, entitled to suspend any further deliveries whereby any obligation to deliver on our part at a later stage shall be excluded. The Customer shall however be under an obligation to accept early or partial deliveries.

4. Delivery deadlines and dates shall be deemed to have been met if prior to their expiry the goods have left the warehouse for delivery or the Customer has been informed that the goods are ready for collection.

5. Our obligation to deliver is subject to the due and proper performance by the Customer of his contractual obligations. In the event that the Customer is in default of acceptance or defaults on any other of his cooperation duties, we shall be entitled to compensation for any damage, including any extra costs, we may have incurred as a result of such default or breach. In addition, in such a case any risk of accidental destruction or deterioration in the quality of the goods shall be borne by the Customer.

6. Any return of sold goods is strictly excluded. Where, in exceptional cases, we take back deliveries, the Customer shall be credited with the net purchase price applicable on the date the goods are taken back. In case the net purchase price on the date of delivery is lower than that on the day the goods are taken back, the Customer shall be credited with the price on the date of delivery.

7. In the event of a substantial deterioration in the financial situation of the Customer, or in case insolvency proceedings have been initiated against the Customer or in the event that an affirmation is submitted in lieu of an oath pursuant to Section 807 of

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the German Code of Civil Procedure [Zivilprozessordnung, ZPO], financial difficulties or a change of company owners as a result of such financial difficulties, we shall no longer be under an obligation to perform running contracts and be entitled to suspend deliveries, unless the customer pays in advance or pays concurrently with our delivery. At the same time, the Customer shall no longer be entitled to resell goods which are subject to retention of title or collect receivables assigned to us. In such a case, the Customer shall allow any representative we may have commissioned to implement any measures on the Customers premises which we deem necessary and reasonable to protect and assert our rights in connection with the retention of title.

IV. Official authorizations

The Customer guarantees to use any toxic agents and substances which are subject to statutory or governmental regulations exclusively for authorized purposes and pursuant to these regulations and to have obtained the required authorizations.

In case these authorizations are revoked or the use of said toxic agents and substances prohibited at a later stage, the Customer undertakes to discontinue using them and to dispose of them in accordance with legal regulations at his own costs.

The Customer shall bear the consequences of any breach of these obligations and hereby indemnifies us from any claims asserted by third parties or authorities made in connection with such breach.

V. Place of performance and transfer of risk

1. Unless stated otherwise in the confirmation of order, goods shall be delivered ex warehouse. Accordingly, the place of performance of all contractual obligations shall be the location of our warehouse.

2. Goods shall be delivered ex warehouse. The risk when goods are delivered shall pass to the Customer as soon the goods have left the warehouse or upon notification of the Customer that the goods are ready for dispatch. Unless otherwise expressly requested by the Customer, we reserve the right to take out transport insurance for the goods covering all transport risks, whereby the insurance costs shall be borne by the Customer. In case the transportation

costs are borne by Dipsol Europe GmbH, the time of passage of risk and the place of performance shall remain unchanged.

3. Should it be necessary to store the delivery items due to a lack of instructions on the part of the Customer or a lack of transport facilities or because he is in default of his contractual obligations, the risks and costs of appropriate storage on the premises of the forwarding agent or in our works or those of our subcontractors shall be borne by the Customer.

4. Should there be a change in the location of our warehouse, the above stipulations shall also apply to the new location.

5. The above provisions shall also apply in case the goods are dispatched from a third location, provided that the dispatch of the goods from such a location is in the interest of the Customer. The dispatch of goods from such a location shall, in particular, be deemed to be in the interest of the Customer if transportation costs are lower or if the delivery time is shorter or in case the Customer requests an express delivery of the goods.

VI. Payment

1. Payments (net) must be made within 30 days after the date of invoice. Cash discounts shall only be granted if expressly confirmed or agreed. No cash discounts shall be granted on payments by cheque or bill of exchange. In addition, cash discounts are subject to the condition that the Customer has made all outstanding payments for previous deliveries.

2. The date of receipt of payment shall be deemed the date from which the amount is in our bank account and at our free disposal. The risk of transfer shall be borne by the Customer.

3. No interest shall be granted on advance payments or payments on account.

4. In case the Customer is in default of payment, i.e. in case the Customer fails to make payment by the dates specified above, any outstanding amount shall be subject to interest at 8 % above the base rate of the European Central Bank. We reserve the right to charge a higher rate where proved to be appropriate. Any proof of the appropriateness shall be provided in the form of a bank confirmation. Our right to claim

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compensation for default or to rescind the contract shall remain unaffected by the above stipulation. In addition, in case of a default of payment on the part of the Customer, any outstanding payments, including outstanding payments for previous deliveries, regardless of any periods granted for such payments, shall become due with immediate effect. The same shall apply to in the event of a substantial deterioration of the financial situation of the Customer and in case of a suspension of payments, in particular, in case of insolvency of the Customer and in case that we have knowledge of a cheque or bill protest against the Customer.

5. Payments by bill of exchange or cheque are subject to our written approval. We shall not accept pre-dated cheques. Payment by bill of exchange shall not be accepted as cash payment. Cheques shall only be accepted as cash payment in case they are cashed in before expiry of the payment period. Bills of exchange and cheques shall be credited subject to the condition that the full amount has been duly received. Any costs and discount charges plus VAT shall be borne by the Customer. We cannot be held responsible for the proper presentation and filing of protests. In case of a bill protest or other default of payment, any payments, even if not yet due for payment at the time of the protest or default, shall become due for payment with immediate effect.

6. We reserve the right, on a case by case basis, to make our deliveries subject to prepayment, cash on delivery or cash payment.

7. We reserve the right to revoke, even during credit periods, pursuant to these terms of payment, any credit arrangements with the Customer, in case we have reason to believe that outstanding receivables or our security rights are endangered. We also reserve the right to make, at our discretion, deliveries subject to the provision of adequate securities. In case the Customer fails to provide such securities within the requested period, any outstanding payments shall become due for payment with immediate effect.

8. Any right to offset or the right of retention on the part of the Customer shall be excluded, unless his counterclaims have been found to be legally enforceable or have been acknowledged by us.

9. The payment of any sales bonus or other premiums is subject to the conclusion of a prior agreement between the

parties. In addition, any entitlement to such bonus or premium is subject to payment of all outstanding receivables by the Customer.

VII. Retention of title and security interests

1. We reserve the right to retain title in and ownership of all delivered goods until the Customer has met all claims, including any conditional and future claims, arising from the business relationship. The same shall apply for the duration of a liability under a bill of exchange towards a third party arising from the business relationship with the Customer. The enforcement of our right to retention of title shall not constitute rescission of the contract, unless expressly declared.

2. In case of an enforcement of our right to retention of title, we shall be entitled, irrespective of the Customers payment liability, to credit the proceeds towards the Customers liabilities,
a) at market value (= attainable resale price)
or
b) in accordance with III. 5. above less any decrease in value.

In any case we shall be entitled to charge 10 % of the credited amount for the costs incurred in connection with reclaiming the goods. The Customers right to prove that the actual decrease in value or the costs of reclaiming the goods were lower remains unaffected.

3. In case the goods delivered are joined, mixed or blended with other products not produced by Dipsol Europe GmbH, our co-ownership in the products in possession of the Customer pursuant to Sections 947, 948, 950 of the German Civil Code [BGB], for the purpose of facilitating proof, shall be established in such a manner that the products delivered by us during the last six months before exercising our right to retention of the products shall be valued in proportion to the products contributed by third parties during the same period of time. The Customers right to prove a lower proportion of co-ownership remains unaffected.

4. The Customer is under an obligation to insure the goods subject to reservation adequately, in particular against fire and theft. The Customer hereby assigns any

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claims against the insurer in connection with damage to the goods subject to reservation of title, up to an amount equivalent to the purchase price, to Dipsol Europe GMBH. The Customer is under an obligation to inform the insurer of the assignment. We further reserve the right to request proof of the existence of such insurance cover at any time and irrespective of any occurrence of loss. In addition, the Customer is under an obligation to inform us immediately in case the insurance cover, for whatever legal reason, is discontinued. In case the Customer is in breach of this obligation to take out insurance covers or if it is discontinued, we may exercise our right to repossess the goods subject to reservation of title, whereby any further legal claims shall remain unaffected.

5. The Customer hereby assigns to us, until he has met all his obligations towards us, any future claims against his customers, including any ancillary rights, arising from the resale or reprocessing of the goods subject to reservation of title. The Customer shall abstain from any acts which may impede this advance assignment, in particular, the Customer shall refrain from concluding any agreement that precludes the assignment of claims arising from the resale of goods as part of an inclusion of the claims in current account arrangements. Should the Customer nevertheless make such arrangements, he shall assign to us claims forming part of the current account arrangements as a result of the resale of products delivered by us equivalent to the monetary value of the products delivered by us. The same shall apply in case of a settlement of the current account to any balance carried over.

6. In case the goods subject to retention of title are invoiced together with goods that are not our property or together with other services, the Customer shall assign to us the amount charged to his customer for the goods including VAT. Should the specific price charged for the goods not be specified on the invoice, the Customer shall assign to us the amount charged by us for the goods delivered by us at the time of the resale to his customer. In case the resale of the goods subject to retention of title is combined with a service such as installation work etc. and in case the price for the service and that for the goods are not specified separately on the invoice, but as all-in price, the Customer shall assign the entire invoice amount to us.

7. The resale of goods subject to retention of title or any other use of these goods is only permissible in case the Customer has assigned the claims specified above to us and his invoices, delivery notes and other documents contain the name of our product.

8. Notwithstanding their assignment, the Customer is authorized to collect any claims arising from the resale. However, our right to collect the claims remains unaffected.

9. In case the customer wishes to sell or assign to third parties receivables resulting in full or in part from the sale of our goods as part of a factoring agreement, the Customer shall be under an obligation to obtain our prior approval. The Customer hereby assigns to us claims resulting from the factoring agreement against the factor equivalent to the amount of our claims against the Customer. In case we have cause to believe that our claims or securities are endangered or that there is an impediment to enforcing them, we reserve the right to inform the factor of our securities specified in this Section and enforce our claims. If, in such a case there should be any doubts as to our entitlement to take the measures specified above, the Customer shall be obliged to instruct the factor to pay or deposit the amount equivalent to our outstanding claims against the Customer into an escrow account to be specified by us, until clarification of the situation. The aforementioned provisions shall apply both to the so-called "real" factoring, where the credit risk is borne by the factor, as well as to the "unreal" factoring in which the credit risk is borne by the Customer.

10. In case of a default of payment or in case we have other reason to believe that our right to retention of title might be endangered, we reserve the right to enforce the securities specified in this section. In such a case the Customer shall be under an obligation to provide any information required for the enforcement of the rights and to hand over any necessary documents, in particular delivery notes, invoices and inventory lists etc.

11. The Customer is obliged to inform us immediately of any garnishment or other infringement of our right to retention of title or securities by third parties and to confirm these rights both to us and to such third party. The garnishment

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or assignment or transfer as security of these rights on the part of the Customer is not permissible.

12. In case of default of payment or in case we have other reason to believe that our right to retention of title and securities may be endangered, the Customer, upon our request, shall be obliged to inform his customer of the assignment specified above under VII.5.

13. In case the value of the all our existing securities (in the case of goods subject to retention of title the invoice value shall apply) exceeds that of our claims by more than 10% on a long term basis, we shall be obliged to release securities of our choice to that extent if the Customer so requests.

VIII. Industrial property rights, patent infringements, third party rights

1. We hereby assure that to the best of our knowledge no rights of third parties shall be infringed through the production and sale of the delivery item.

2. The Customer shall be responsible to ensure that no patent rights, licenses or industrial property rights of third parties are infringed through the use of our products. The Customer hereby indemnifies us from any claims resulting from such infringements. Any license fees shall be borne by the Customer.

3. The Customer is obliged to inform us immediately of any claims against him resulting from the infringement of third party rights. The Customer shall be liable for any damage or loss we may incur as a result of an infringement of the contractual duty stipulated in Para. 1.

4. Where the products delivered have been produced according to plans and specifications provided by the Customer, the Customer shall indemnify us from any claims by third parties resulting from an infringement of industrial property rights and/or copyrights.

5. In addition, the Customer shall indemnify us from any claims by third parties resulting from an infringement of industrial property rights and/or copyrights if such claims are not based on an infringement on our part.

6. In case the Customer breaches the above-mentioned duties, he shall be responsible for all loss or costs incurred by

us as a result of such breach, in particular for any litigation costs.

7. The aforementioned duties shall also apply in case of a violation on the part of the Customers employees, vicarious agents or third parties commissioned by him.

IX. Warranty and liability

1. In case of a deficiency in our products we reserve the right to subsequent delivery or repair. Only in case these measures have failed or where we forego the aforementioned right will the Customer be entitled to other rights stipulated by the law.

2. Any warranty claims or other claims by the Customer shall be excluded in case the Customer (or his vicarious agents or other third parties commissioned by him): fails to report obvious defects immediately in writing, i.e. within 3 working days from the date of delivery; deviances in quantity or delivery of a product other than the one ordered shall also constitute obvious deficiencies, fails to report hidden deficiencies immediately in writing, i.e. within one week from the date of delivery; a hidden deficiency is any deficiency which cannot be detected without examination the products, contrary to our instructions, are used or treated, stored in an improper or unsuitable manner or in case they are inadequately serviced, our products or works are improperly or incorrectly commissioned, installed or used, products are used after their use-by date, protective regulations or statutory requirements are violated, the serial or production number can no longer be provided, the decrease in the value or the suitability of the product is insignificant; The above list serves as an example and is non-finite. The same stipulation shall apply in case of any other gross breach of duties on the part of the Customer.

3. Notwithstanding the stipulations under IX, Para. 2, warranty claims resulting from deficiencies or consequential damage caused by a defect or any other liability claims shall be excluded in case: the Customer fails to inform us immediately of the damage, i.e. on the same day the Customer fails to ascertain immediately the cause of the damage the Customer fails to provide a complete retrospective documentation of recurring faults that have occurred over the past year in the machine in question or in case the damage must be attributed to another breach of duties on the part of the Customer.

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4. Any compensation claims or other claims on the part of the Customer in connection with a default on an expressly agreed delivery date shall lapse in case the Customer fails to indicate the default to the carrier (forwarding agent) or to us in writing within 21 days from the date of delivery.

5. The warranty period is 2 years. The warranty period is a limitation period and shall also apply to replacement claims in connection with consequential damage, unless claims are made in connection with a tortuous act.

6. Any compensation claims by the customer, for whatever legal reason (e.g. non-performance, impossibility, delay, positive breach of duty during contract negotiations, tortuous acts, offsetting between debtors etc.) is excluded. This shall not apply in case of a willful act or gross negligence on the part of Dipsol Europe GmbH, its legal representatives or executive employees or in case of breach of a fundamental contractual obligation. This shall also apply to the personal liability of our legal representatives, staff members, employees, co-workers and other vicarious agents.

7. In case our liability pursuant to Para 6 above is not excluded, the Customer shall be entitled to a compensation amounting to 10% of the agreed purchase price or remuneration, subject to the provision of proof by the Customer or by us that the damage or loss incurred is significantly higher or lower. In any case our liability is limited to foreseeable damage or loss typical for this type of contract.

8. Our liability in case of damage to life, body or health and under product liability law shall remain unaffected by the above stipulations.

X. Non-disclosure and data privacy

The Customer undertakes not to disclose any information gained in the course of the business relationship. In addition, the Customer must not pass on information required for the performance of the contractual purpose to third parties without our prior approval.

XI. Export and import Incenses

1. Our products and technical know-how have been developed to remain and be used in the Federal Republic of

Germany. Any export/re-export of contractual products, as single items or as parts of a system, is subject to approval and must conform with the foreign trade regulations of the Federal Republic of Germany. The Customer is required to obtain information regarding these regulations himself. Irrespective of whether or not the Customer specifies the final destination of the contractual products, he shall be under an obligation to obtain any required export license from the relevant foreign trade authorities before exporting the products.

2. The Customer shall undertake to ensure that any third parties who are in a business relationship with him shall also act in accordance with Para 1 above.

3. The Customer shall be liable to us for the proper compliance with the above terms.

XII. Miscellaneous

1. As far as legally permissible, the place of jurisdiction for all disputes shall be Düsseldorf.

2. The laws of the Federal Republic of Germany shall apply exclusively. Any application of UN Purchasing Law, the Uniform Law on the International Sale of Goods or the Uniform Law on the Formation of Contracts for the International Sale of Goods shall be excluded.

3. Any alteration, full or partial, or covering up of labels and numbers on our products or the resale of products which have deteriorated since delivery or which have been subjected to alterations and as a result no longer conform to our norms is prohibited. The Customer is obliged to resell the products as previously classified by us and to inform his customers of the exact qualities and technical details of the product.

4. Should any individual provision of this contract be or become invalid, the validity of the remaining provisions shall in no way be affected. The parties to the contract shall replace the invalid provision with a valid one that comes as close as possible to the economic sense and purpose of the invalid provision.