

CONDITIONS OF SALE FOR FINISHED PARTS, MOULDED PARTS, TOOLS AND DEVICES

Polytec Elastoform GmbH

1. VALIDITY OF THE PRESENT CONDITIONS OF SALE

The present conditions of sale regulate the relationship between the customer (named the "CTMR" in the following") and POLYTEC ELASTOFORM GmbH (named the "contractor" in the following), provided that no individual

contract (named the „contract" in the following) contains any deviations from this whereby any conditions not deviating from these conditions for sale shall retain their validity. At the latest as of the beginning of the fulfilment of the contractual obligations on behalf of the contractor, these conditions of sale of the contractor are deemed recognized by the CTMR. Any conditions of purchase of the CTMR are only binding for the contractor, when these are separately recognised by the contractor. Oral agreements are only effective when these were signed by a party authorized to represent the contractor in writing respectively a change was made to the confirmation of order. The contract is deemed concluded when the contractor has sent off a written confirmation of order after receiving the order and this is not verifiably contradicted within 10 days by the CTMR.

2. OFFERS

2.1. Our offers are non-binding. Oral agreements, promises, assurances, guarantees from our employees or agreements deviating from this contract closing, in connection with the contract closing, only become binding through the express confirming, written confirmation of order.

2.2. If no order is concluded, the contractor is entitled to destroy the offer documentation after 3 months as of the day of the offer (drawings, samples etc.).

3. DISPATCH, PACKAGING

3.1. Provided nothing was agreed to the contrary, the contractor must deliver the goods EXW „ex factory“ according to the Incoterms of 2010 (announcement of readiness to dispatch).

3.2. The standards of the contractor apply to the packaging and labelling of the goods. In the absence of a deviating agreement, the prices indicated are to be understood without packaging and if the packaging is carried out in the customary way, to avoid damage to the goods in normal conditions of transport en route to the determined destination, at the expense of the CTMR and is only taken back upon agreement.

3.3. Insurances concerning the goods sold, in particular insurance for transportation, theft, fire and breakages are not concluded by the contractor, unless this was expressly and separately agreed.

4. PRICE, PAYMENT, INVOICES

4.1. The overall price of the contractual obligations of the contractor, their maturity and payability (named the "contractual price" in the following) are agreed separately.

4.2. The amount, type and maturity of the payment asset backing are agreed separately.

4.3. The customer is not authorised, to retain payments due to counterclaims not recognised by the contractor.

4.4. Invoices may be sent electronically.

5. DELIVERY, DELAYS

5.1. The delivery of the goods must be performed according to the delivery dates indicated in the order confirmation whereby the delivery time is non-binding.

5.2. Up until full payment of the entire amount invoiced, including any accompanying charges, the contractor retains the property rights to the goods. The risk passes to the CTMR with the delivery.

5.3. The schedule begins only after receipt of the payment asset backing according to Art. 3.2 and the documents (named the "coming into force" in the following). If this is not settled within 30 days as of the conclusion of contract, the contractor can withdraw from the contract without any liability vis-à-vis the CTMR.

5.4. In the event that the CTMR delays acceptance as a result of infringing his duty to cooperate or performance obligations (e.g. approvals), or if the delivery of the goods cannot take place on time, for reasons which are not within the sphere of influence of the contractor (delay in acceptance on behalf of the CTMR), the contractor can demand compensation for damages for any extra costs incurred after the setting of an extended deadline. In the event of self-storage, he can demand storage costs on top of this to the amount of at least 1 % of the invoiced amount for the stored machine for each calendar day commenced. Moreover, after setting an extended deadline of

one week, the contractor can withdraw from the contract. In this case, the contractor is authorised, to demand the entire purchase price, including compounded compensation for damages, amounting to 10 % of the contract value including VAT without verification of the actual damage from the customer. This regulation shall not affect any legal claims.

5.5. The contractor has a claim to payment of all the costs/expenses incurred by him for the performance of the contract and which are not contained in the payments received.

5.6. If the CTMR is in default with a payment agreed or with another service, then the contractor can charge default interest amounting to 7.5 % above the respective basic interest rate of the European Central Bank as of maturity (see the guidelines to combat default in payment in business transactions, of 29 June 2000) or declare his withdrawal from the contract after granting an appropriate period of grace.

6. MOULDED PARTS, FINISHED PARTS

6.1. Special tests of the finished parts (e.g. peeling tests, electrical, mechanical etc.) must be expressly and separately agreed and the costs will be borne, in principle, by the contractor.

6.2. A further sale is only permissible when this is made known to the contractor in good time beforehand thereby indicating the name respectively the company and the precise address of the buyer and the contractor has agreed to the sale. In the case of agreement, the claim to the purchase price is deemed already assigned to the contractor as of now and we are entitled at any time, to inform the third-party debtor of this assignment. It is mutually agreed that the reserved goods are seen as individual components even months later.

6.3. The contractor has the right to surpass or undercut the ordered quantity.

7. TOOLS, DEVICES

7.1. The contractor shall bear no responsibility for the selection of the material itself and for the material-related forming of the materials. This also applies in the case that suggestions for the selection of the material and the material-related design of the material are made by the contractor or changes are suggested to the drawings and samples made available by the customer by the contractor.

7.2. Press tools, moulding tools, other tools and devices, which are produced for the customer, shall remain the property of the contractor, even if the production costs are invoiced separately. The production costs which are invoiced for these tools represent only a share of the higher costs of production. The expenses for the preliminary work, the design, construction, sample and servicing, are not covered by this. Even in the case of the cancellation of an order by the customer, the handing of tools to the CTMR always remains ruled out, considering the protected rights, trade secrets and the long-term experience of the contractor associated with this.

7.3. In the event that within 3 years as of the last delivery, no subsequent order or other communication takes place, tools owned by the contractor can be used in another way at discretion or can as he chooses be scrapped.

7.4. Supplies of available tools, without the charge of tool servicing costs, can only take place as long as the condition of the tools is such that they can be worked with without any problems. Servicing costs for damages resulting from the natural wear and tear of tools or devices, are eliminated at the expense of the CTMR and in the same way the CTMR bears the cost of all the tool changes he has arranged.

8. PROVISION OF MATERIAL, PARTS

8.1. If materials are provided by the CTMR in the form of insert respectively mounting parts, then these are to be supplied at his expense and risk with an appropriate quantity surcharge of at least 5 % in good time and in a perfect condition. Except in cases of force majeure, the CTMR shall bear the supplementary costs incurred even for an interruption in production. With regard to the materials and parts made available, the contractor is not liable for an incoming goods inspection, unless this was separately agreed.

8.2. The provision of parts for coating is performed exclusively with the supply of packaging suitable for the return transport at the cost and risk of the CTMR.

8.3. For moulds, devices, gauges and other production aids made available by the CTMR, the contractor shall assume liability to use and store these supplies with skilled precision. No further liability shall be assumed for this. In particular, the contractor shall not be liable for the loss or damage as a result of force majeure.

9. PROVISION OF TOOLS

9.1. With tools of all kinds, which the CTMR makes available to the contractor, the CTMR shall bear all the costs incurred on behalf of the contractor for the servicing and maintenance of the tools made available.

9.2. The dimensions of the workpieces (tolerances) are to be expressly agreed when placing the order with the contractor. In the event that there is no separate agreement, the applicable standards will be observed, with the dimensional accuracy possible for the workpiece and the form of the workpiece respectively in accordance with the largest dimension.

9.3. No liability or guarantee shall be assumed for the adherence to standards for dimensions and tolerances according to the drawings or for a faultless appearance.

10. WARRANTY

10.1. The contractor guarantees that the goods are supplied according to the conditions of sale, provided nothing is indicated to the contrary, comply with the technical specifications or the first sample and are produced according to the generally recognized industrial standards. No liability or guarantee is assumed for the suitability for a specific purpose or function. For goods which are produced according to the specifications of the CTMR, solely the CTMR shall assume responsibility that no protected rights of third parties are infringed by the production of these goods.

10.2. The warranty obligation of the contractor comprises at his discretion the repair or the exchange of verifiably faulty goods within a period of 12 months as of the supply of the goods. Replacement deliveries are to be sent to the same place of delivery as the first delivery. For goods, which are replaced under guarantee, the customer has a claim to a new warranty period of 12 months as of the date of the replacement.

10.3. This warranty will be granted in the following conditions: (i) the CTMR did not fail to notify the contractor immediately after the delivery - or immediately once the fault could have been detected given sufficient attentiveness - in writing and (ii) the CTMR proves that the contractor is responsible for the fault whereby § 924 of the Austrian Civil Code is excluded. The warranty duty of the contractor only applies to defects which occur whilst adhering to the prescribed operating conditions and with normal use. This does not apply in particular to defects caused by the wrongful use or storage, damage or changes by a person other than the contractor or his representatives and/or normal wear.

10.4. Details contained in catalogues, brochures, newsletters, adverts, figures and price lists etc. concerning the weight, measures, holding capacity, price, performance and so on are only relevant when reference is made expressly to these in the offer and/or the order confirmation.

10.5. If the contractor has the faulty goods or parts of these returned for improvements or replacement, then unless something is agreed to the contrary, the CTMR shall assume the cost and risk of the transportation. The return of the improved or replaced goods or parts of these to the CTMR is performed at the expense and risk of the contractor if nothing else is agreed to the contrary.

11. LIABILITY

11.1. The contractor is liable in the event of the infringement of contractual or pre-contractual obligations, in particular due to impracticality, default etc., only in cases of intent or gross negligence restricted to the contractually typical damage foreseeable and the conclusion of contract up to a max. 5 % of the order amount.

11.2. Claims from the CTMR due to a loss of profit, production or earnings, a loss of use, a business interruption, a loss of orders, the loss of information and data, contractual claims from third parties vis-à-vis the CTMR, and any other indirect and/or direct and/or consequential damages or losses, for whatever legal reason, are excluded, except in the case of gross negligence, intent or harm to persons.

11.3. The limitations of liability of the contractor according to or in connection with this contract, shall also apply to the contractor's staff.

11.4. The CTMR alone shall bear responsibility for the construction and functionality of the parts provided, even if he was advised by the contractor with regard to the development. The contractor shall assume no liability for events due to materials supplied by the CTMR.

12. SECRECY, INTELLECTUAL PROPERTY

12.1. The CTMR hereby declares his agreement to keep confidential all the information he receives from the contractor and to not further this to third parties and to not use this for any other purpose, than for the assembly, operation and servicing of the goods, unless the information (i) is general state of the art or becomes general state of the art without any fault on the part of the CTMR, or (ii) is already in possession of the CTMR at the time of acquisition of the contractor, as can be verified by his written documentation, or (iii) if the CTMR receives information of this kind from a third party without the requirement of secrecy, without the third party having received information of this kind from the contractor either directly or indirectly.

12.2. The intellectual property and right of use of the contractor to engineering, documentation and know-how remains with the contractor without any restrictions. The documentation the contractor gives to the CTMR, may not be processed, copied, reproduced, translated into another language, disseminated or processed either as a whole or in part (print, photocopy, microfilm or other processes) without the prior written agreement of the contractor, whether it be electronically or in another way.

12.3. Information protected by article 11, should not be used with the intention to produce replacement parts or replacement parts by the CTMR himself or by third parties hired by the CTMR.

12.4. The provisions of this Article also apply beyond the expiry or termination of the contract.

13. TERMINATION

13.1. The contractor can terminate this contract in the event of (i) considerable contractual infringements on behalf of the CTMR, which are not eliminated within an appropriate period of time despite written requests; or (ii) a considerable deterioration in the economic situation of the CTMR. 13.2. In the case of a termination of the contract by the CTMR, the contractor is entitled, to receive the payments due to him at the time of the termination. In the event of termination without any fault on the part of the contractor, the contractor is entitled to receive the contractual price from the customer i) minus the costs and expenses he did not incur, and (ii) to be exempted from any damage not caused by the contractor resulting from the termination.

13.3. In particular the contractor is entitled to discontinue the fulfilment of the contract when the CTMR is in default of payment by more than 30 days.

14. JURISDICTION AND APPLICABLE LAW

14.1. The place of jurisdiction is agreed to be the registered office of the contractor.

14.2. Austrian substantive law shall apply (to the exclusion of the conflict of law provisions and the Vienna Convention on the International Sale of Goods of 1980).

15. MISCELLANEOUS

15.1. The contractor is not obliged to fulfil the contract when there are obstacles in the path of fulfilment due to national or international regulations based on foreign trade law, embargos and/or other sanctions. The contractor must attend to the necessary export licenses for his parts of the deliveries and services with care. The CTMR must support him in this and must provide all the necessary declarations and documents. In the event that an export license is not granted or not granted in an appropriate time, or is revoked, the CTMR and the contractor will agree on a replacement solution in a separate agreement. All the resulting additional costs shall be borne by the CTMR. Claims vis-à-vis the contractor regarding export licenses not received or received too late or revoked, are excluded.

15.2. Changes to the sales conditions and/or the contract require the written form to be effective as well as the signature of the CTMR and the contractor. Any modification of the contract made necessary due to (i) changes in the law, (ii) changes in standards or (iii) demands from the authorities and of the contractual obligations of the contractor after signing this contract, shall be borne by the CTMR. In any case the CTMR and the contractor will mutually inform each other immediately when changes of this kind become necessary.

15.3. Neither of the parties is to be prosecuted in cases of force majeure. For the purposes of this contract, force majeure is defined as an event, which could not be prevented by the party affected by the force majeure and which prevents one party from correspondingly fulfilling its obligations. Examples of force majeure are war, whether declared or not, unrest, revolution, uprisings, boycotts, governmental actions, the non-issuance or revocation of export-/re-export licenses, terrorism, strikes, fire, natural catastrophes including e.g. floods, earthquakes, typhoons etc. In the event that the fulfilment of the contract is impaired for longer than 3 months for an individual period of time, the contractor has the choice to terminate the contract, if the CTMR does not reimburse the contractor for additional costs and expenses incurred by the contractor as a result of continuing the fulfilment of

contract. Additional costs for the first three months are not subject to a cost reimbursement.

15.4. The CTMR is only entitled to an offsetting when the counterclaim was recognised or this was determined with legal effect.

15.5. The CTMR is entitled to assign his claims vis-à-vis the contractor only with written agreement from the contractor.

15.6. Should individual parts of these conditions of sale become ineffective, the validity of the remaining parts shall remain unaffected by this. Provided that the ineffective provision contains an effective part, this part will remain intact. The parties to the contract agree, as of now, to find a replacement regulation which is closest to the economic result of the ineffective condition

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