

General Terms and Conditions

I. Scope

The following General Terms and Conditions (hereinafter referred to as „GTC“) of Schamp Kunststofftechnik GmbH (hereinafter referred to as „Schamp“) shall apply to all contracts concluded between Schamp (as manufacturer and/or seller) and the contracting partner (hereinafter referred to as „Customer“) even if not expressly referred to.

Deviating Terms and Conditions of the Customer shall apply only if and when Schamp has confirmed in whole or in part their application in writing; this shall also apply to amendments and additions to the GTC. Verbal promises and sub-agreements require written consent by Schamp to become effective.

II. Quotation and Conclusion of the Contract

All quotations submitted by Schamp are non-binding, unless Schamp has expressly specified these as binding in a written form. Quotations made by Schamp represent a non-binding appeal to the Customer to place an order. A contract shall only be concluded upon receipt of a written order confirmation by Schamp.

Verbal sub-agreements, promises, warranties or other representations made by Schamp shall only be binding once they have been confirmed in writing by us.

Technical specifications belonging to the quotation or Customer requirements explicitly provided for and concerning the delivery item form an integral part of the specified price and deadline agreements. Documents belonging to the quotation (sketches, drawings, weight and measure specifications, performance details, samples and specimen) are only deemed to be representative samples of quality and dimensions, unless not being marked as binding by express agreement.

Any subsequent modifications shall likewise be agreed upon in writing.

The right to make alterations in the design and/or shape and/or implementation as well as technical modifications is reserved and shall not be deemed cause for complaints or withdrawal from the contract, provided that these alterations, after due consideration of the interests of Schamp, are of reasonable scope to the Customer.

III. Prices

Provided that the order confirmation does not state otherwise, our prices are in euros and shall apply ex works excluding packaging, freight, assembly, insurance, commissioning, customs or similar duties. All prices are net prices plus VAT at the statutory rate. All prices relate to the relevant order only and shall not be binding for subsequent orders.

Charges for packaging, freight, assembly, commissioning, customs or similar shall be agreed on and invoiced separately.

IV. Payment

Unless otherwise stipulated, payment for the tools shall be made by the Customer as follows:

40 % of the invoice amount immediately upon receipt of order confirmation

40 % of the invoice amount upon initial sampling

20 % of the invoice amount upon delivery and issuing of invoice (but no later than 30 days after receipt of first samples).

Costs for assembly and repair work as well as any other costs arising and related to contractual services (travel and accommodation costs) respectively are due for payment within 14 days starting from invoice date.

Payment shall be effected, without any deduction for discount, by bank transfer to the account of Schamp.

If requested, the Customer shall provide a financial guarantee in the full amount of the account receivable (e. g. via confirmed letter of credit).

If and when there is a significant worsening of the Customer's financial situation following the conclusion of the contract or such facts become known to us following the conclusion of the contract, Schamp shall be entitled, at its own discretion, to demand payments in advance or the provision of security, and, as the case may be, to declare that the remaining debt shall be due for payment.

In the event that the Customer should be in default of payment, Schamp shall be entitled to claim default interest at the statutory rate.

Beyond that, all other receivables shall be due immediately, unless the Customer can provide proof that it was not responsible for these arrears.

As long as the Customer is in default with a payment due, Schamp's obligation to perform services shall be suspended.

If the Customer is obliged to make payment based on more than one delivery, the payments shall be set off as follows: the first payment will be set off against the payable debts, in case of several accounts receivable the first amount will be set off against the receivables which offer Schamp less security. A payment which is not sufficient to redeem the whole debt will first be set off against the costs, then against the interest and finally against the primary obligation. Any divergent repayment provision made by the Customer shall be deemed to be invalid.

V. Offset / Right of Retention

The Customer shall only be entitled to set off against its own claims, if its counterclaims have been legally ascertained, are uncontested or have been accepted by Schamp in written form.

This shall also apply correspondingly for the assertion of any rights of retention. The Customer may generally retain the payment of remuneration in case of defaults only to the amount that corresponds to the faulty delivery or service.

VI. Provision of Services / Acceptance

Any design documents or other technical documentation received from the Customer for the production of the goods shall be checked by Schamp only for their completeness and plausibility with regard to the predefined conceptual solution and design.

If the Customer takes over the development of the goods, clear targets and requirements, as defined in product denominations, product specifications and/or any other specifications shall be presented to Schamp.

After completion of development specification sheets and predevelopment documentation, these papers shall be presented to the Customer for review and approval. Subsequent production steps shall be started only when a written release certificate is made available by the Customer. In the event the Customer does not issue such release certificate at all or such release certificate has not been issued timely enough, and in spite of this the Customer expressly requests continuation of the works, any and all costs resulting from possible design changes and tool modifications shall be borne by the Customer.

In the event of any delays relating to such release which are the responsibility of the Customer, delivery times shall be extended accordingly.

Technical changes and design modifications to the goods before and during planning and manufacture shall be subject to written coordination agreements between the contracting parties. These agreements shall become integral part of the contractual provisions.

Irrespective of any other declarations of acceptance, all goods shall be considered accepted if the Customer fails to report any defects in writing within two weeks after presentation of initial samples, which would considerably limit usability of the goods due to such defects.

VII. Delay in Delivery

Delivery date results from the order confirmation. For the rest the dates and deadlines for deliveries and services shall only be binding if confirmed by Schamp in writing.

Even binding dates and deadlines for deliveries and services shall be extended if the Customer failed to procure or hand over all necessary documents and information that are required for order processing, or failed to procure or hand over such documents and information in a timely manner, or if the Customer failed to order material or personnel in due time and/or failed to effect specified payments.

Such periods shall also be extended if, after the order has been accepted, modifications to the delivery item have been made at the Customer's request.

Deliveries shall be made ex works. Delivery deadline shall be deemed complied with if the goods have been dispatched at the date of delivery or readiness for dispatch is notified.

Schamp shall be entitled to make and separately charge just and reasonable partial deliveries, unless the Customer's legitimate interest in receiving the entire delivery becomes evident.

If the delivery is delayed by the occurrence of an inevitable event that was not foreseeable upon conclusion of the contract (e. g. Acts of God, insufficient supply of materials or raw materials, labor unrest, strike), delivery period shall also be extended for as long as the obstacle to the performance obtains, plus a reasonable start-up period. In case the Customer is immediately notified that delivery due to the reasons mentioned above has failed to take place or has been incomplete, Customer shall not be entitled to withdraw from the contract nor to claim damages. In the event of the circumstances lasting for more than six months, both parties shall have the right to withdraw from the contract.

Schamp shall only be in default with the performance of services once the Customer has set a reasonable period for fulfillment and after expiry of the binding performance deadline; unless Schamp has seriously and finally refused to perform before. This shall also apply if the time for performance is determined by calendar. Only after said grace period has elapsed without success shall the Customer be entitled to cancel the contract and to demand damages.

Justified claims for compensation asserted by the Customer in case of any default of performance shall be restricted to not more than 0.5 % of the value of the complete delivery for each week of the delay, but not exceeding more than 5 % of the value of that portion in question that cannot be brought to its intended use in accordance with the contract due to such delay.

Corresponding limitation shall apply in the event of the impossibility of delivery.

Any further claims shall be excluded – to the extent permitted by law.

If delivery is delayed for reasons that are not to be represented by Schamp, Schamp shall be entitled to levy storage charges amounting to 0.5 % of the value of the goods for each month commenced. Any assertion of higher damages shall be reserved.

VIII. Passing of Risk

Risk shall pass to the Customer on commencement of the loading of the goods – irrespective of who undertakes to transport the goods or bears the costs for the transport. If loading has been delayed due to reasons for which Schamp is not responsible, passing of the risk shall be effected at the time notice is given that the goods are ready to be loaded.

IX. Liability for Material Defects

To the extent that Schamp provides – within the framework of the business relations with the Customer - technical information, recommendations and consultations without any separate payment for the same, then this excludes any commitment and liability.

The Customer shall be obliged, upon receipt of every single delivery, to immediately inspect the goods as to recognizable and typical deviations regarding quality, quantity and other features and to take delivery of the goods. In the event that any deficiencies have been identified, the Customer shall immediately complain to Schamp in writing. The Customer shall be obliged to make available to Schamp a detailed description of the claimed defects in writing.

If the notice of defects is not forthcoming or if it is late, the Customer shall forfeit its claims due to any existing defects in the goods.

In the case of a defect, Schamp shall be entitled to rectification by its choice of remedial action or shipment of replacement free of defects. Schamp shall be allowed to refuse supplementary performance if it is only possible at disproportionate expense.

Unless otherwise stipulated by law, the Customer shall be obliged to grant Schamp an appropriate period of grace in writing. After unsuccessful expiration of this term the Customer is authorized to assert further justified warranty claims.

Any warranty shall be excluded if and insofar as the goods show only minor defects.

Further Customer's claims due to possible indirect damage (loss of production, loss of profit, compensation claimed by end customer a.s.o.) shall be excluded insofar as this is legally permissible.

Any Customer claims due to justified and timely notice of defects shall become time-barred one year as from transfer of risk.

Over and above the aforementioned warranty, Schamp shall give no guarantee as to the quality of the goods supplied by us, unless otherwise expressly agreed between the contracting parties.

References to DIN standards or other technical specifications shall serve merely to describe the goods and shall not constitute a warranty.

Tool output per cavity under proper maintenance at the moulder's premises:

Either:

1,000,000 shots for glass-fibre free materials

500,000 shots for materials with a glass fibre content of up to 30 %

250,000 shots for glass fibre contents of more than 30% and PPS

Or: 24 months after tool release ... whichever is the sooner

Clamping and retainer areas for metal inlays as well as impacts of chipping on the parting line edges of the mould shall be exempt from any warranty obligations.

X. Compensation for Damages and Futile Expenditure

Liability by Schamp for indemnification and/or compensation of vain expenses – no matter for which legal argument – shall be limited, to the extent permitted by law, to gross negligence and intent. The same shall apply in case of any breach of duty on the part of a legal representative and/or vicarious agent.

In case of simple negligence, Schamp is only liable regarding infringement of major contractual obligations.

XI. Retention of Title

Schamp shall retain the title to any and all of the goods supplied by Schamp until payment of all claims existing or still arising from the business relationship with the Customer have been satisfied (so-called goods subject to retention of title).

In the case of negligent behaviour on the part of the Customer which is contrary to the terms of the contract, in particular in respect of failure to pay on due date, Schamp shall be entitled without prior rescission of the contract to take possession of the goods subject to title retention. The Customer shall be obliged to hand over the goods. Taking back any goods by Schamp shall not be regarded as a cancellation of the contract, unless Schamp has expressly confirmed to do so in writing.

The Customer shall neither pledge the goods nor assign them as a security.

In the case of attachments or other measures of execution, enforcement or sequestration of any third party, the Customer shall immediately notify Schamp.

The customer shall bear the full risk for the goods subject to the retention of title and shall be obliged to take them into careful safekeeping and to obtain at own expense sufficient insurance coverage against possible risks. The customer shall now assign to us any claims against the insurer.

The Customer shall be entitled to resell the delivered item in the ordinary course of business, provided that and to the extent that the Customer has agreed retention of title with its contractual partner.

However, sale abroad shall be permissible only with the prior written consent of Schamp.

In the case of resell of the goods , the Customer hereby assigns to Schamp any and all claims at the total invoice amount due (gross amount), which accrue from reselling against a third party, irrespective of whether the goods have been sold without or after

processing. The Customer shall first of all remain authorized for the collection of this claim even after the assignment.

The right of Schamp to collect the debt itself shall remain unaffected by this, in other words, Schamp shall collect these debts itself only if and insofar as the Customer has violated its payment duties and is in default. The Customer shall, upon Schamp's request, disclose the fact of the assignment to the Customer's contracting partner and to provide Schamp with the required information, as to say, surrender the relevant documents.

Any further processing or re-design of the goods by the Customer shall always be effected for Schamp until the debt is paid in full. Processing or re-design work shall be carried out free of charge and does not represent an obligation on the part of Schamp. In the event that the goods are processed together with other items not belonging to Schamp, Schamp shall acquire part ownership of the new object based on the value of the goods contributed in proportion to the value of other items processed at the time of such processing. As for the rest, the provisions valid shall also apply for the item created by means of processing. That means, the Customer claims acquired through the sale of the processed object will be assigned to Schamp to the amount of our ownership share. The same shall apply if goods delivered by Schamp are inseparately mixed with or joined to other objects not belonging to Schamp.

Upon Customer's demand, Schamp undertakes to release, up to its choice, the securities to which it is entitled, insofar as their value exceeds the accounts receivable to be protected – and provided that these have not yet been settled - by more than 20 %.

XII. Proprietary Rights and Secrecy

For all documents, objects and other specifications handed over to Schamp for the purpose of delivery or performance, Schamp shall not assume liability related to any infringement of an industrial property right.

The Customer shall hold Schamp harmless from any third-party claims and reimburse us for any loss that may occur to us thereby. In the event Schamp is forbidden to perform, manufacture or deliver by a third party under reference to a copyright belonging to such third party, Schamp shall be entitled to cease work without examination of the legal position and to demand compensation for our expenses from the Customer.

Schamp shall reserve any and all property rights and copyrights on samples, models, drawings, designs, cost estimates, calculations or similar information – in any form whatsoever.

The Customer shall be obliged to make available to a third party all information that is expressly described as confidential by Schamp or whose need for confidentiality results from the circumstances, only with our express and prior written consent.

The Customer shall limit access to this confidential information exclusively to its managing directors, employees or consultants, who must have the confidential information for the execution of the contract agreement. Customer shall oblige these persons also to handle such information with corresponding confidentiality.

If requested by Schamp, Customer shall immediately return any and all documents, together with all copies, left to him.

XIII. Final Provisions

German law shall apply, under exclusion of international regulations and to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

Place of performance shall be the registered office of Schamp.

In the event any provision of the present General Terms and Conditions be or become ineffective or void, then the effectiveness of the remaining provisions shall not be affected thereof. In such case, the contracting parties undertake to replace such ineffective or void provision by a clause, which most closely approximates to the intended economical purpose of the invalid provision.

Waldkirchen, February 2012