

ARCLIN GROUP GENERAL TERMS AND CONDITIONS OF PURCHASE

PO Number:

Date:

1. AGREEMENT

The purpose of these terms is to agree on the terms and conditions, which shall apply when **Arclin USA LLC and/or its affiliates** ("BUYER") purchases and receives products and/or material ("Products") from the supplier specified in the order ("SELLER") (hereinafter referred to as the "Terms"). The Terms shall be applied unless otherwise agreed in writing between the Parties.

Whenever "written" or in writing" is used in these Terms, it shall also mean by fax, e-mail, Electronic Data Interchange ("EDI"), Internet or by means of any other electronic medium.

The Terms shall supersede any general terms and conditions of purchase/sale, which may be referred to in a purchase order, order confirmation, invoice or any other document. BUYER's failure or delay to react to such terms shall not be deemed as a waiver of the Terms unless expressly approved in writing by BUYER.

2. ACCEPTANCE

The written acceptance by SELLER of an order, delivery of Products, commencement of any work or performance of a services or any conduct in confirmation of a transaction by, SELLER shall constitute an unqualified acceptance by SELLER of an order and the Terms. These Terms shall constitute an entire agreement between the parties.

3. PRICES

The prices or any other items stated in the order shall not be changed except upon written approval from BUYER.

4. ORDERING

In such case the others shall be placed by post, e-mail, telefax, EDI or any other mutually agreed method. SELLER shall send to BUYER a written confirmation of the order. If confirmation of an order is not received within two (2) working days, the order shall be deemed as accepted by SELLER. Orders shall state and include at least the amount of products to be delivered. The date on which the Products shall be delivered ("Date of Delivery") and the delivery address.

5. FORECASTING

The parties acknowledge that any forecasts issued by BUYER are regarded as estimates only, based on the best assumptions of BUYER and/or its customers. Under no circumstances shall such forecasts be regarded as binding purchase orders of BUYER, unless the parties have separately agreed that such forecasts should have a binding effect.

6. TERMS OF DELIVERY AND PAYMENT

The terms of delivery of the Products shall be defined in the order and interpreted in accordance with the Incoterms 2010. SELLER undertakes to pack the Products properly for transportation as required and specified by BUYER. Prices of the Products shall include cost of packaging and protection.

SELLER agrees to indemnify BUYER against any damage to the Products resulting from improper packing.

BUYER shall pay the Products within forty-five (45) days or at the agreed payment terms from the date of SELLER'S invoice, provided that BUYER has received the correct amount of Products in acceptable condition. The invoice may not be dated earlier than the date of shipment of the respective Products from SELLER's plant.

7. TIME OF DELIVERY

All changes to delivery times are subject to BUYER's prior written approval. The products must conform to any specifications and/or products data at the time of delivery in order to be considered as delivered.

BUYER shall not be obliged to take the Products into its possession before the agreed Date of Delivery. Partial deliveries are not allowed and BUYER shall not be obliged to accept such deliveries into its possession, unless accepted by BUYER in writing prior to the delivery.

Should SELLER be unable or otherwise fail to deliver the Products in accordance with the delivery times stated in the respective orders, then SELLER shall promptly, after SELLER becomes aware of the delay or potential delay, inform BUYER, state the reason for the delay and propose a new date of delivery. The proposed new date shall be subject to BUYER's prior approval. If BUYER does not exercise its right of termination, but accepts a later date of delivery, BUYER shall be entitled to liquidated damages, which shall be calculated on the basis of the price of the delayed Products at the rate of two percent (2%) per each week of delay or part thereof up to a maximum of six percent (6%) of the price of the delayed Products. The liquidated damages shall not exclude BUYER's right to compensation for damage in excess of the aggregate liquidated damage payments made by SELLER nor does it limit BUYER'S right to terminate an order.

If the delivery is delayed due to Force Majeure, or because of an act or omission of BUYER, the Date of Delivery shall be postponed as considered reasonable taking into consideration all pertinent circumstances.

8. PRODUCT LIABILITY

SELLER shall be solely responsible for compensating all damage to property and/or injury to persons caused by a defect in a Product.

BUYER and/or its customer may be held liable to pay compensation for damage to property and/or injury to persons caused by a defect in BUYER's or its customer's end-product(s) to which the Products have been incorporated or inserted. If the damage to property and/or injury to persons results from a defect in a Product incorporated or inserted into the end-products. SELLER shall indemnify BUYER and/or its customer against any damage, compensation and/or costs, which BUYER and/or its customer may have been ordered to pay to a third party by a competent court or by settlement out of court or, which BUYER and/or its customer may have incurred in course of such action (including legal costs).

SELLER agrees to maintain adequate product liability insurance with a reputable insurance company to cover its liability under this section and shall produce BUYER evidence of such Insurance at BUYER's request.

9. WARRANTY

SELLER warrants that the Products shall at the Date of Delivery to be new and unused and during the Warranty Period:

- a) Strictly conform to the requirements stated in these Terms and to any specifications or product data specified by BUYER; and
- b) Remain free from all defects arising from inferior materials and/or from faulty or Inferior manufacturing or workmanship; and
- c) Be in working condition and fit for the purpose for which they were intended; and
- d) Do not contain any restricted substances defined by BUYER and/or its customers. SELLER shall record the raw material contents of the Products supplied to BUYER. The record shall be available to BUYER upon request; and
- e) Meet the quality requirements of BUYER.

The warranty period shall be twelve (12) months and shall commence at the Date of Delivery of the respective Product ("Warranty Period"), unless the Product Is rejected or the Date of Delivery Is postponed or rescheduled in which case the Warranty Period shall commence at a later date.

SELLER shall reimburse BUYER for all damages and/or costs (including labour costs and material costs) resulting from SELLER'S breach of the above warranty. This section shall not exclude any express or implied statutory conditions or warranties.

BUYER has the right to deduct the value equal to the number of rejected Products from an invoice of SELLER. The relevant incoming inspection report will be given to SELLER. The return or scrapping of the defective Products shall be made at SELLER'S risk and expense.

10. INTELLECTUAL PROPERTY INDEMNIFICATION

SELLER indemnifies and holds BUYER harmless against any claims arising from any patent, copyright, certificate, registered trademark or any other intellectual property right or industrial right relating to or arising from a Product ("IPR"). SELLER'S guarantee shall include all liabilities, damages, costs and expenses incurred by BUYER (including legal costs) arising directly or indirectly from a claim by a third party arising from an alleged infringement of IPR by a Product incorporated by BUYER into products sold by Buyer and/or by its customers or which may be attributable to use or sale of Products by Buyer and/or BUYER'S direct or indirect customers.

11. FORCE MAJEURE

Neither party shall be liable to the other for delay or non-performance of its obligations in the event and to the extent that such delay or non-performance is due to an unforeseeable event which are beyond control of a party to the extent such event prevents or delays the party from fulfilling its obligations, including war, civil unrest, act of government, natural disasters and fire ("Force Majeure"). Labour disputes and strikes are not considered as Force Majeure. The affected party shall take reasonable steps to minimize the effects of Force Majeure; BUYER will have immediately a right to cancel any orders delayed as a result of Force Majeure without any liability towards SELLER.

12. CONFIDENTIAL INFORMATION

SELLER shall keep confidential any information relating to BUYER'S and/or its customer present or future products, designs, business plans, business opportunities, know-how technology, customers, employees, sources of products, contracts, research and development production, process and plans, marketing and financial data and other confidential information disclosed by BUYER.

13. APPLICABLE LAW AND DISPUTES

These Terms shall be governed by and construed in accordance with United States Law.

Any disputes shall be resolved and settled by arbitration in English before an arbitrator appointed by the US Chamber of Commerce. The decision of arbitrator shall be final, binding and executable.

This section shall not, however, stop the parties from seeking injunctive relief from a court of competent jurisdiction.

14. EXPORT CONTROL

SELLER shall notify BUYER of any export control restrictions, which may apply to the Product.

SELLER further, agrees to provide BUYER upon request with all information necessary to accurately classify the Products under any applicable export regulations.

15. SEVERABILITY

The invalidity or non-enforceability of any particular provision of the Terms shall not affect validity of other provision hereof.