

GENERAL TERMS AND CONDITIONS

of
PycnoPlast BV
Situated in Eindhoven, Zeelsterstraat 259 (5652 EJ), The Netherlands.

ARTICLE 1 - GENERAL

1.1. As used in these General Terms and Conditions, the following terms shall have the following meanings:
PycnoPlast: PycnoPlast B.V.
Buyer: any (legal) person entering or wishing to enter a contract with PycnoPlast as well as such person's representative(s), agent(s), proxies, successors (in interest) and legatee(s)
Product: any product produced or sold by PycnoPlast
Quotation: any offer or proposal from PycnoPlast to supply Product
These Conditions: the conditions of contract contained in this General Terms and Conditions document

1.2. These Conditions shall apply to all Quotations and all contracts concluded between PycnoPlast and any Buyer, unless expressly agreed in writing to the contrary. Any general conditions employed by or referred to by a Buyer shall not apply unless expressly accepted in writing by PycnoPlast.

ARTICLE 2 - QUOTATIONS

2.1. All our Quotations remain valid only for the period of time indicated by us, unless revoked earlier. If such a period is not mentioned, our Quotations are non-binding and revocable.
2.2. All data/information supplied in our Quotations remains fully our (intellectual) property. Buyer shall treat all such information (including correspondence) confidentially and return it to us at our first request.
2.3. Our transmission of Quotations and/or (other) documentation shall not oblige us to accept orders or to deliver Product unless the Quotation is irrevocable and the Buyer confirms its acceptance.

ARTICLE 3 - CONTRACT.

3.1. Subject to the provisions hereinafter, a Contract with us shall be concluded only by our acceptance/confirmation in writing. The confirmation is deemed to represent the Contract correctly and in full, unless within 5 (five) days after its transmission we have received, written objections from the Buyer.
3.2. Any additions or changes or (oral) arrangements and/or promises by our staff or by our sales-representatives, agents or any other intermediaries shall be binding only if confirmed in writing by us.
3.3. For all activities not covered by a Quotation or order confirmation due to their extent and nature, our invoice shall function as such confirmation and be deemed to represent the Contract correctly and in full.
3.4. Regarding the provisions in Article 3.1, 3.2 and 3.3., our records are decisive except for written evidence to the contrary.
3.5. our performance of any contract shall be subject to the condition that the Buyer - in our judgement - remain sufficiently solvent to comply with the financial consequences of the contract.
3.6. We are entitled, either at the time the contract is concluded or at any later stage, to require and receive security from the Buyer for fulfilment of both financial and other duties, prior to (further) performance of our contractual obligations.
3.7. We are authorised to subcontract to a third party, if we deemed it necessary or desirable in connection with any production disruptions, for a proper execution of the contract. The cost of such sub-contracting will be charged to the Buyer.

ARTICLE 4 - PRICES

4.1. Unless stated otherwise, our prices shall be:
- based on the purchase prices and other costs as of the date of our Quotation or of the order;
- based on delivery at our factory, warehouse or other storage area;
- exclusive of V.A.T., import-duties or other taxes, levies and duties;
- exclusive of the costs of transport and insurance;
- exclusive demands arising from (changes in) Customer Quality Assurance Requirements
- inclusive of the costs of packaging.

4.2. Separate administration costs and/or freight surcharges may be charged for orders of less than a certain minimum size.

4.3. In case of an increase in the prices of energy, raw materials or other materials necessary for the manufacture of the Product ordered by the Buyer occurring prior to the agreed date of delivery, PycnoPlast shall have the right to increase the price of the Product ordered accordingly, provided that PycnoPlast shall give fourteen days prior written notice of each such increase and that the Buyer shall have the option to cancel the contract within seven days of receipt of such notice.

ARTICLE 5 - DELIVERY AND TERM OF DELIVERY

5.1. Unless otherwise agreed in writing, Product shall be delivered at our factory/warehouse. (FCA Incoterms 2010) The moment the Product is tendered at our premises, the risks of loss or damage will transfer to the Buyer. Carriage-paid delivery will be made only if, when and in as far as stated by us in the order confirmation or as previously agreed in writing.
5.2. The Buyer is obliged to inspect the Product for shortage or damage promptly upon delivery or else to have such inspection take place upon our notice that the Product is at the Buyer's disposal. Any damage or shortage of the Product and/or packaging on delivery must be stated by the Buyer on the delivery receipt and/or delivery/transportation documents. In the absence thereof, claims will be barred.
5.3. We reserve the right to deliver orders specifically made for the Buyer in more than one lot (partial deliveries) and to invoice for these individually. Buyer will be advised in advance.
5.4. We shall have the right to deliver, and to charge for, up to 10% more or less than the agreed quantity.
5.5. Delivery dates stated in Quotation shall be best estimates only and not legally binding. Consequently we cannot be held liable for any compensation if we fail to make a delivery by the specified date. In such case, the Buyer may serve us with notice of a reasonable new date of delivery. If we fail to deliver by the new date, the Buyer's sole remedy will be to cancel the Contract in writing unless late delivery is due to circumstances beyond our control.
5.6. If the Buyer wrongfully cancels or refuses to accept the Product which it has ordered, the Buyer shall be liable to pay us liquidated damages in the amount of 25% of the net invoice value of the Product involved. If the Product has already been manufactured, however, Buyer shall be liable for 100% of the net invoice value.

5.7. The quantities stated in shipping documents, such as weight certificates, bills of lading, sea-way bills, liner-way bills, and freight receipts, shall be deemed correct unless affirmatively proven to be incorrect.

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ARTICLE 6 - TRANSPORT/RISK

6.1. Unless the Buyer supplies us with specific instructions, we will decide the method of transport, mailing, packaging etc., as prudent merchants, and shall bear no liability for this. Any specific instructions of the Buyer in the matter of transport or shipping will be carried out only when Buyer has accepted all extra expenses thereof.
6.2. The transport of Product will be effected at the risk and expense of the Buyer, even if the (carrier should specify that) transport documents contain a clause that all transport damage be at the risk and expense of sender.

ARTICLE 7 - FORCE MAJEURE

7.1. Force Majeure is defined as:
any unforeseen circumstances independent of the will of the parties, by which (timely) performance of an obligation can no longer be reasonably required from us by the Buyer, including without limitation:
- strike, excessive absenteeism of personnel due to illness, transport complications, fire, government regulations (including import and export restrictions, quota regulations) and disturbances of production either within our company or that of our suppliers.

7.2. If Force Majeure occurs, we are excused from performance of the contract for a corresponding period of time, or, at our option, may dissolve the contract definitively, without being liable for damages to the Buyer and without the requirement of giving prior notice to the Buyer. PycnoPlast will consult with the Buyer regarding alternative possibilities, with the objective of trying to reduce any adverse effects of the Force Majeure for the Buyer.

7.3. Buyer remains liable for payment for all performance rendered by PycnoPlast prior to the occurrence of Force Majeure.

7.4. We shall also be entitled to invoke Force Majeure should it arise during the term allowed after we have been served a notice of default.

ARTICLE 8 - QUALITY AND RESPONSIBILITY

8.1. The Product will be produced according to good manufacturing practices and standards, in accordance with the then prevailing laws of the Netherlands and according to the internal specifications applicable. Customer-specific specifications will apply only when these have been agreed.

8.2. With the delivery of each Product, a Certificate of Analysis will be provided. This Certificate will be either sent in advance, or at the time of delivery, per fax or per e-mail. The Certificate confirms that the Product has been manufactured in accordance with the prevailing specifications and quality standards.

8.3. The specifications of the Product may be adjusted if we consider this to be necessary, and, in the case of customer-specific specifications, following prior consultation with the Buyer.

8.4. The provision of a Certificate of Analysis with each delivery, does not discharge the Buyer from the obligation to test all Products pursuant to Article 8.7 at the time of the Article 5.2 inspection.

8.5. With the exception of legally binding regulations regarding (product) liability, and with the exception of intentional and gross negligence on our part, we are not liable to pay any compensation for damages of any kind whatsoever, direct or indirect, including damages for loss of profits, consequential damages, damage to property, or to persons, including the Buyer and third parties. All damages, such as regarding business apparatus, the result of manufacturing processes and any waste or failure, and the quality of the Product which is ultimately manufactured and/or indirect damage such as loss of turnover, business stagnation etc. are explicitly excluded. Considering the other provisions of this Article, we are in no event liable for damages caused by improper use, storage or handling of the delivered Product or through their use for purposes other than those for which they are intended. Neither are we liable for damages caused by a defect in Products if:

a. We have not manufactured the product;
b. The Buyer cannot establish that the fault which caused the damage existed at the time when we sold the Product and that this fault did not develop at a later stage;
c. Our Product was not manufactured by us for the purpose of sale or any other form of commercial distribution, and was not manufactured or distributed within the scope of our normal business activities;
d. The defect results from the fact that the Product complies with compulsory government regulations;
e. It would have been impossible, on the basis of the level of scientific and technical knowledge at the time when we sold the Product, to detect the existence of a defect;
f. The defect is the result of injudicious use, and/or application or use of our Product not in accordance with, (1) the operating advice given by us or (2) the indicated application therefor, or (3) what is considered reasonable.

g. The defect is attributable to the design of the product of the Buyer of which our product forms a part, or is attributable to the instructions supplied by the Buyer or to the lack of instructions with regard thereto.

8.6. Technical advice and all other information given to the Buyer about our products, including processing and applicability thereof, advice about quantity and anticipated performance, if applicable, as a result of using our product, which is made available by way of data sheets, e-mail and/or other correspondence and/or our website, are for general reference only and may only be relied upon at Buyer's risk. PycnoPlast disclaims liability for the accuracy and completeness of such information, except to the extent expressly stated to be warranted in the contract.

8.7. The Buyer must sufficiently verify for itself if our Product is suitable for the intended purpose or proposed use of the Buyer. Should, for the purpose of such verification, a sample or a trial specimen be supplied by us, no claims whatsoever will be accepted with regard hereto.

The Buyer accepts that the costs of verification and all other costs and possible damage as a result of the verification (trial) is at Buyer's own expense and risk.

- 8.8. Should Buyer place a repeat order for our Product, this is considered as an automatic confirmation by the Buyer to us, that the Buyer has verified that our product is suitable for the intended use and application, and has given approval.
- 8.9. No warranty is given and no representation is made by PycnoPlast, whether express or implied, as to the usefulness, sufficiency, merchantability or fitness for any purpose whatsoever of the Product supplied, unless explicitly given made in writing. The correctness of information provided by PycnoPlast regarding the quality, composition or possible applications of the Product is warranted only if such warranty is explicitly stated in the contract.
- 8.10. Subject to the provisions elsewhere in this Article, our total liability arising out of any legal theory or basis regarding any damage caused to the Buyer is limited at all times to 2 (two) times the net invoice amount of the Product.
- 8.11. Fulfilment of the current guarantee/claims obligations and/or payment by us or our insurers of the Buyer's direct damages shall be Buyer's sole remedy for any PycnoPlast liability. The Buyer waives any right to other relief or redress.

ARTICLE 9 - CLAIMS

- 9.1. Subject to the provisions elsewhere in these Conditions, all claims relating to the quality of the delivered Product must be received by us in writing, within 8 (eight) days of delivery, accurately stating the cause and nature of the complaint.
- 9.2. Upon the expiry of such period of time, claims shall be barred.
- 9.3. If a claim is found justified, we shall only be liable to replace the faulty Product, and the Buyer shall not be entitled in any way to any compensation whatsoever.
- 9.4. The submission of a claim shall under no condition whatsoever relieve the Buyer of any financial obligations towards us.
- 9.5. Deliveries may be returned only following our consent in writing, under the conditions specified therein.
- 9.6. PycnoPlast reserves the right to supply deviations in shades and in quality as long as they have no major influence on the usability of the Product.

10. ARTICLE 11 - RESERVATION OF OWNERSHIP

- 10.1. All Product delivered by us which are in the possession or control of the Buyer shall remain our property until full payment has been made of all accounts whatsoever payable by the Buyer to us. During the period the Product delivered by us remains our property, the Buyer shall hold the Product in trust for PycnoPlast. If the Buyer fails to pay the purchase price of the Product in accordance with the payment term stated in the invoice, PycnoPlast shall have the right to repossess the Product, without any prior notice being required.
- 10.2. If the Product is transported to North America before it has been paid for in full, the Buyer agrees immediately upon PycnoPlast's request to complete, sign and file a UCC Financing Statement confirming a security interest in favor of PycnoPlast in the Product and any other product into which it is incorporated.
- 10.3. The Product can be used by the Buyer in the course of its regular business, but shall not be subjected to any lien nor in any way pledged or encumbered to a third party.
- 10.4. We will at all times be entitled to repossess the delivered Product from the Buyer or its holders, on the basis of the provisions of this Article, in the event the Buyer should not fulfil its obligations.
- 10.5. In the event the Buyer should resell Product not (yet) fully paid for, the Buyer hereby assigns to PycnoPlast the proceeds or rights to receivables from its buyer (second buyer) resulting from this resale. For this purpose, the Buyer shall sign an instrument confirming this assignment at Buyer's first request.
The Buyer will be committed to inform us at our first request of the relevant information so that we can claim the amount due directly from the second buyer. The amount paid to us by the second buyer will be deducted from the total amount the Buyer owes us.
In case of resale, the Buyer will also be obliged to make the same reservation of ownership as stated in this provision and obtain the same security interest.

ARTICLE 11 - PAYMENT

- 11.1. Payment shall be effected in advance prior to delivery, or net cash on delivery, or if agreed in writing beforehand within 30 days of the date of invoice, by (electronic) transfer of the invoice amount to a bank account indicated by us. The value date on our bank statement shall be

considered the day of payment. Payment by way of a bill of exchange or cheque will not be accepted.

- 11.2. Every payment of the Buyer shall first be applied to cover the interest due as well as our costs of recovery and/or administration under Article 13. The remainder shall thereafter be applied against the principal amount of the oldest unpaid claim.
- 11.3. In the event that the Buyer:
- is subject to proceedings in bankruptcy or under insolvency laws (including suspension of payments) or for receivership, dissolution or liquidation;
 - suffers an assignment for the benefit of creditors or an attachment over its property;
 - should decrease or be put under guardianship;
 - should not comply with any obligation under law or under These Conditions; or
 - should be in default to pay the amount of an invoice or any part thereof within the stated term;
- we shall be entitled either (1) to terminate the contract by written notice thereof, (2) to require (after notice of default) immediate payment of the entire sum owed by the Buyer for work we have performed and/or deliveries we have made and/or (3) to repossess Product which have been delivered but not (yet) paid for, without prejudice to our entitlement to costs, damages and interest.
- 11.4. From the moment that a payment term expires without the amounts due having been paid, we shall be entitled to dissolve the contract in whole or in part, unless the non-performance is insufficient grounds for dissolution and the consequences thereof on account of its special character or minor importance, notwithstanding our right to demand security of payment or suspend deliveries.
- 11.5. If our claim on the Buyer is insured with a credit insurance company (in the broadest sense of the word), we shall conform with the policy conditions in regard thereto. The policy conditions prevail over the (payment) terms made between the parties.

ARTICLE 12 - DESIGNS AND MODELS

- 12.1. The designs and/or product formulations, and the like, are and shall remain our (intellectual) property.
- 12.2. The composition of our Product is confidential, unless such composition forms part of the sale-specification. If the exact composition is not disclosed by way of the sale-specification, the Buyer is not permitted to analyse our product (quantitatively or qualitatively) without our prior written permission to do so.
- 12.3. If the confidential composition of our Product should unexpectedly become known to the Buyer, the Buyer is obliged to treat such information as confidential proprietary information which should not, in any way whatsoever, be disclosed to a third party.
- 12.4. Samples of our Product shall not be given to third parties without our written permission, unless the third party is an authorised distributor or a contractual partner.
- 12.5. Our Product shall not be used in, or form or become part of, any patented application or patented invention without our prior written permission or by a licence therefor granted by us.

ARTICLE 13 - INTEREST AND COSTS

- 13.1. Whenever payment is not effected within the term specified in Article 11, the Buyer shall legally be in default, and, from the due date, will owe 1.5% interest per (part of a) month over the outstanding amount.
- 13.2. All costs of collection, both in and out of court, shall be for the account of the Buyer. Costs of collection shall amount to no less than 20% of the monies owed by the Buyer, including the aforementioned interest.

ARTICLE 14 - APPLICABILITY OF LAW

- 14.1. All our Quotations, contracts and their execution are subject to Dutch law only.

ARTICLE 15 - DISPUTES

- 15.1. All disputes arising in connection with a contract or further contracts resulting herefrom shall be finally settled in accordance with the Rules of the Netherlands Arbitration Institute (Nederlands Arbitrage Instituut). Judgment upon the award of the arbitrators may be entered in any court having jurisdiction thereof. The parties acknowledge that the contract and any award rendered pursuant to it shall be governed by the 1958 United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards.
- 15.2. The place of arbitration shall be The Hague. The language of the arbitration shall be the language of PycnoPlast's order confirmation. A party shall not be entitled to suspend the performance of its obligations under this Contract because an arbitral proceeding has been initiated.