

The following terms and conditions are a legally non-binding translation only and do not have any legal importance.

Only the original version of these terms and conditions, written in German language, is to be applied.

Die folgende Übersetzung unserer Geschäftsbedingungen ist lediglich eine unverbindliche Hilfe und hat keinen rechtskräftigen Status. Anwendung finden allein die Geschäftsbedingungen in ihrer Originalversion in deutscher Sprache.

Flockenhaus GmbH & Co. KG

Terms and Conditions

- Coverage

- 1) The following terms and conditions apply to all our deliveries and services. Differing conditions of the ordering party do not oblige us.
- 2) In the case that the ordering party already knows our terms and conditions, the terms and conditions apply without repeated announcement for any future transactions. Receiving our deliveries and services implies the acceptance of our terms and conditions.
- 3) Additional agreements, alterations and variations of these terms and conditions must be arranged by written form between deliverer and orderer.
- 4) To non-merchants, the preceding number 2 is not applied.

- Prices

- 1) Agreed prices are calculated plus postage, packing, fees and VAT with the rate valid on the day of delivery (home country delivery)
- 2) For any calculation, weight, quantity and amount determined by us are binding, if and when the addressee does not immediately dissents.
- 3) To non-merchants, the preceding number 2 is not applied.

- Condition of goods, technical advice, application and manufacture

- 1) The condition of goods generally refers to the condition described in product descriptions, specifications and characterisations made by the seller. Public statements, extolling or advertisement are no descriptions of the products' condition.
- 2) The technical examination concerning the application of products and advice referring to this, given in written or oral form or by means of experiment is done to the best of knowledge, but is only intended to be an advice without commitment, especially regarding property rights of third parties, and does not release the buyer from testing the products delivered by the seller

regarding the adequacy of the products for the intended application. Application, use and further processing of the products are not within the seller's reach of control and are therefore solely used at the buyer's risk.

- Delivery

- 1) Delivery ex works, shipping costs are borne by the buying party.
- 2) In case of agreed collection, the risk of accidental perishing or accidental debasement of deliveries passes over to the buyer at that moment in which the availability of the delivery is announced. Otherwise the risk passes to the buyer at that moment, in which the goods are handed over to the carrier. Type and route of dispatch are chosen by the seller.
- 3) Considerable, unforeseeable disruptions and disruptions in operation through no fault of ours own, violations of limits of delivery or delivery failure caused by our contractors, as well as disruptions in operation because of lack of commodities, energy or manpower, strikes, lockouts, difficulties in acquisition of transport facilities, traffic blocks, instructions of higher authority and acts of God in our or our contractors' area prolong the limit of delivery by the persistence of the delivery obstruction, as far as it has an importance for the good's delivery. Beginning and end of such obstructions are immediately communicated to the buyer. In the case that the violation of the limit of delivery is higher than one month, buyer and seller are both entitled to cancel the affected amount of goods, to the exclusion of claims for damages.
- 4) Non-returnable packaging cannot be returned to us, instead we tell the buying party a third party which accepts the packaging for further recycling.

- Payment

- 1) The amount invoiced is to be paid due net 30 days after the receipt of goods. In case of payment from abroad, we do not accept foreign cheques but only bank drafts in Euro.
- 2) In case of delay of payment, we are entitled to charge interest according to the legal regulations. The proof of higher damage is reserved for us.
- 3) Retention and summation because of titles of the buyer contested by us, remain impossible.
- 4) In the event of non-payment of a bill due or further circumstances which let expect a worsening of the buyer's financial circumstances after the conclusion of a contract, entitle to immediate amortisation of all our claims, which are based on the same legal relationship.
- 5) Ton non-merchants, the precedent number 3 is not applied insofar as the interdiction of summation is not valid concerning claims beyond controversy.

- Reservation of property rights

- 1) We reserve for us the property of delivered goods until the complete satisfaction of the purchase-money. In case of the buyer being a merchant: Until the complete satisfaction of the purchase-money of the current business connection with the buyer, the delivered goods remain our property. The reservation of property rights remains valid even in case of single claims being included in current accounts und the balance being struck and accepted.

Purchase-money claims do not expire even in case of payment, as long as a mutual liability, e.g. cheque procedure, persists.

2) Processing or mixing of goods caused by the buying party do not generate any obligation for us. In case of processing or mixing of goods with other goods that do not belong to us, the buying party passes on our reservation of joint ownership rights to the newly created object proportionate to the price of the reserved good in relation to the other components used, provided that the buying party keeps the reserved property safe for us.

3) The buyer is entitled to have available the products in the regular course of business, as long as he fulfils his liabilities which are part of his business connection with us.

4) In the case of selling goods, on which we hold property rights, the buyer passes on to us the property rights of the products sold to the extent of our claims. If he processes or mixes commercially the delivered products with a main thing of a third party, by now he passes on as securities to us his claims against the third party to the extent of the value of the delivered goods. We accept these acts of transfer.

5) If we desire an exact calculation of goods being in the buyer's stock and on which we hold property rights or the amount of claims transferred to us, the buyer has to deliver this information to us and has to inform customers about the transferred claims.

6) The purchaser is obliged to store goods, on which he hold property rights, safely and has to insure these goods against loss or damage at his own expense. In advance, he passes on to us those claims which result from the respective insurance contracts. We accept these acts of transfer.

7) The buyer's title to have available the goods on which we hold property rights and to collect the claims transferred to us, ceases to exist, as soon as he suspends payment and/or gets into financial collapse. In case of the occurrence of these events, we are entitled, to the exclusion of the right of withholding and without additional respite or utilisation of the right of cancellation of the contract, to ask the complete, immediate and interim handing over of any product on which we hold property rights.

8) Insofar as the property rights result to be unfounded according to the laws of the country in which the goods are, the buyer has to provide an equal value security if we ask him to do so. If he does not comply with this, we are entitled to demand the immediate payment of all unpaid invoices regardless of agreed terms of payment.

- Compensation for loss suffered

1) The legal warranty period is in force.

2) Obvious material defects, wrong deliveries and differences from the ordered amount are to be reported immediately and in written form, however within 14 days after receipt. Hidden defects are to be communicated to us in written form within 7 days after their detection.

3) The purchaser has to analyse - if necessary by a test process - if the delivered product is adequate for the intended use, particularly if thinners, hardeners or the like are added which have not be produced by us.

4) In case of legitimate complaint, we will deliver deficiencies in addition, alternatively we will exchange the goods. If an exchange of products is not possible or the additional delivery is insufficient, the buyer is entitled to redhibitory action or reduction.

5) The buyer's claims of compensation for loss suffered, which would breach our contractual or legal obligations, are excluded, insofar as the damage was not caused by deliberately or grossly negligent action.

6) Our liability for indirect damage, caused by unforeseeable circumstances, atypical to the contract, is excluded.

7) If thinners, hardeners or the like, which have not be produced by us, are added to the delivered product or used together with it, no guarantee exists.

- Court of jurisdiction and place of fulfilment

1) Court of jurisdiction and place of fulfilment is Fulda.

2) The contractual relationship with our customers is exclusively based on the laws of the Federal Republic of Germany. The adaptability of the United Nations agreement from 11th of April, 1980, concerning the international selling of products (CISG - Vienna) is excluded.

Flockenhaus GmbH & Co. KG

Fulda 15.11.2010