

**General Sales and Delivery Terms and Conditions  
("Terms and Conditions")**

**1. Orders**

For all orders placed with us, the following Terms and Conditions apply exclusively to the extent that no agreement to the contrary has been made in writing, or that supplementary conditions apply to particular products. Orders placed according to the purchasing terms and conditions of the Purchaser on the Purchaser's printed forms will be carried out according to our Terms and Conditions, even if we do not explicitly reject the Purchaser's terms and conditions—including any exclusivity claim—unless the Purchaser's terms and conditions have been explicitly accepted by us in writing. Silence on the part of the Purchaser concerning our Terms and Conditions is deemed to be acceptance. The contract is not transferable without our approval.

Verbal agreements are only binding on us if, and inasmuch as we confirm them in writing or comply with them by forwarding the goods and the invoice. Offers made by us are subject to confirmation.

Samples are absolutely non-binding samples for inspection purposes. All analysis data, including maximum and minimum values, are to be deemed approximate values only, unless particular characteristics are especially warranted. With reference to quantity, "approx." means  $\pm 10\%$ . No part-amounts will be taken from original containers.

**2. Delivery**

All consignments are sent at the risk of the Purchaser, even if the price is carriage paid to destination. Unless means and type of transport are particularly specified by the Purchaser, shipment will be effected at our discretion at the cheapest freightage without guarantee.

For carriage paid deliveries the choice of the means and type of transport rests with us. Extra costs arising from instructions given to us shall be borne by the Purchaser.

We only accept liability for observing delivery deadlines on our explicit acceptance of a guarantee to such effect; claims for damages are excluded. Regarding delayed delivery, the Purchaser has the right to withdraw from the contract only after setting an appropriate grace period of at least 4 weeks. Force majeure, stoppages, production breakdowns at the manufacturing plant, delays in or impossibility to manufacture due to lack of raw materials, transport difficulties, suppliers exceeding their delivery date and such like give us the right, according to our choice, either to continue delivery with a corresponding delay or to withdraw from the contract without being subject to any claims for damages, and this even if we are already in arrears with delivery. Should delivery be delayed for more than two months on these grounds, the Purchaser has the right, to the exclusion of all other remedies, to withdraw from the contract to the extent of the quantities affected by the delay. All further claims shall be excluded.

### **3. Defect warranty**

The Purchaser must check, where necessary by means of a trial run, that the delivered goods are in good order and suitable for their intended purpose. Should he omit the check, we are free of all liability. Any complaints concerning the condition or quantity are to be lodged within 14 days of receipt of the goods, stating the order dates and the invoice and dispatch numbers; hidden defects are to be claimed promptly after their discovery, at the latest within 8 weeks of receipt of the goods.

Substantiated complaints made in due form shall be compensated according to our choice by a price reduction, exchange or return of the goods against reimbursement of the purchase price. Rejects may only be returned with our prior written approval. All further claims, in particular claims for damages, which do not directly affect the goods themselves, are in all instances excluded. Even in cases of substantiated complaints, the purchase price is to be paid by the agreed date, later adjustments notwithstanding.

### **4. Invoicing**

For delivery invoicing and payment, only the weight determined by us is relevant. Our sales price is deemed to be in the currency stated on the invoice, and where not otherwise stated, excludes taxes if applicable. In Canada, GST shall be stated separately in the invoice at the relevant statutory amount.

Any applicable changes in customs or taxation tariffs after conclusion of the sale shall be charged to the Purchaser. The Purchaser shall also bear any costs which may arise after conclusion of the contract due to government or legal requirements. Should delivery take place in accordance with the contract 30 days after order confirmation or on call, then the prevailing price on the shipping date shall be invoiced and considered approved.

### **5. Payment**

All payment deadlines begin with the date of the invoice. Payments made for the purpose of applying to the contract must be made in cash according to the payment conditions granted by us. Unless otherwise stated, payment must be made within 30 days of the date of issue of the invoice without deductions. For bank transfers into a bank or post office account specified by us and for payments made by cheque, the payment is only valid when our account has been credited.

Should we accept a bill of exchange, then payment is only valid on its being honoured. The Purchaser shall pay any discount and bank charges or taxes due. Should we issue a bill of exchange and hand it over to the Purchaser or a third party on the Purchaser's instructions, in particular in connection with a so-called cheque and bill transaction, then payment is only valid when the bill has been honoured by the drawee, in particular within the meaning of provision 6 of these Terms and Conditions (Retention of title) and this even if we have received the purchase price earlier in the form of a cash payment, cheque, bank transfer or by any other means. Paragraph 3, Sentence 2 applies correspondingly.

We are not responsible for bills or cheques being punctually and duly presented or cashed. Should the Purchaser fall behind in making a payment, fully or partially, then we retain the right to demand payment of interest as and from the due date. This right is independent of the Purchaser receiving a reminder or of the Purchaser being responsible for the arrears in payment. Interest on arrears shall be invoiced at the then prevailing interest rate of commercial banks subject to a minimum rate of 2% p.a. above the prevailing discount rate of the Bank of Canada. We reserve the right to lodge further claims.

Should the Purchaser fall more than 3 weeks behind in a payment, or if there are grounds to doubt the creditworthiness of the Purchaser, or should the Purchaser fail to honour a cheque or a bill when it falls due, then all amounts due to us by the Purchaser shall become due immediately, and this without regard to the term of any bills taken in.

Furthermore, we retain the right to demand security for all other amounts due, and to make any deliveries due only against prepayment or security, to forbid the processing, working and/or re-sale of goods under our ownership or joint ownership and to demand their surrender. We furthermore retain the right to enter the business premises and warehouses and other premises belonging to the Purchaser and to seize the goods under our ownership or joint ownership.

Offsetting on the part of the Purchaser is only permissible with our explicit approval in writing. Enforcement of a right of retention on the part of the Purchaser against claims on our part is excluded. Payments shall always be set off against the oldest outstanding debts and the interest accrued thereon.

## **6. Retention of title**

All goods delivered by us remain under our ownership until all (including future) receivables arising from our business relations and due to us from the Purchaser have been paid in full.

Should the goods delivered be processed or worked, then this shall occur solely on our behalf, and we remain the owners of any new products resulting from the processing or working. Through processing or working, the Purchaser does not acquire any claims against us. Should, as a result of processing or working, there be an amalgamation or mixing of our goods with items belonging to third parties, then we shall gain joint ownership in the goods arising from this procedure.

The Purchaser may resell the goods delivered to us only after further processing and only subject to our ownership until the purchase price is paid in full and only in accordance with proper business practices. The Purchaser does not have the right to resell the goods in an unprocessed state.

The Purchaser hereby assigns to us in advance all receivables to their full amount, including all ancillary rights, which the Purchaser may acquire from its buyers for the sale of goods under our ownership or joint ownership; should the goods be jointly owned by us then the assigned amount is limited to that share of receivables corresponding to our share of the joint ownership. Should goods under our ownership be sold together with other goods at an aggregate price, then the assigned amount is limited to that share of the aggregate price which represents the ratio of the value of our goods to the value of all the items sold under the aggregate price. Should goods under our ownership be processed under a works contract, then the wage receivables for the processed goods shall be assigned to us up to the amount of the price stated in our invoice.

The Purchaser retains the right to collect the receivables assigned to us. The Purchaser must transfer the proceeds directly to us. We retain the right to disclose the assignment at any time and demand direct payment from the buyer. The Purchaser is obliged, at our request, to notify the Purchaser's buyer of the assignment and to hand over to us all documentation required to enforce the assigned receivables and to keep us informed. The Purchaser is furthermore under obligation to send us on request an exact breakdown of the receivables assigned to us, stating the identity of the debtor, the amount of the individual receivables, the invoice date, and any other details we may require.

We retain the right to exercise our rights arising from joint ownership (see Paragraph 2) or from receivables assigned to us (see Paragraph 4), including jointly with third parties, in particular with other creditors of the Purchaser, or to assign the rights or their exercise to third parties. In this case, neither the grounds nor the amount of the respective partial rights need be proven.

Should the value of the receivables assigned to us and/or the goods over which we hold ownership, before or after processing or working, exceed our own claims against the Purchaser by more than 25%, then, at the Purchaser's request, we shall, at our sole option, release either claims or goods until the excess is no more than 25%.

Pledging, mortgaging or assignation by the Purchaser of the goods under our ownership or the receivables assigned to us are explicitly prohibited. Equally the Purchaser is explicitly prohibited from concluding and executing global cession agreements or factoring agreements (sale or assignment of receivables to a factoring company or to a third party), to the extent that such an agreement concerns receivables which have been assigned to us under these Terms and Conditions. The Purchaser is obliged to inform us if the Purchaser has already concluded such contracts with a third party as described in the previous sentence on entering into business with us or on receipt of these Terms and Conditions.

The Purchaser undertakes to inform us promptly of any access of third parties to the goods under our ownership or to the receivables assigned to us and to support us in every way in safeguarding our rights. In particular, during a seizure the Purchaser is to inform the bailiffs that the item seized is our property. The Purchaser must promptly forward the distraining order to us and confirm in writing that the seized item is our property. To the extent that access by a third party causes damage to our property, the Purchaser is to replace it. The Purchaser must bear all costs arising from our intervention. Should we take back the goods under our ownership or should we collect the Purchaser's receivables assigned to us ourselves, this does not represent a withdrawal from the contract; the measures mentioned shall only be taken to secure our claims. The Purchaser is still under obligation to fulfill the contract.

## **7. Packaging**

If not otherwise agreed, all goods shall be delivered with packaging according to our choice. The packaging is not returnable as long as it is not leased packaging or otherwise owned by us. Our packaging may only be reused commercially if our company name and logo and also our trademark are rendered unrecognizable.

## **8. Brand Protection**

If goods delivered by us and bearing our trademark are processed, then the use of our trademark in connection with the goods thus produced is only permissible with our prior written approval. This applies to all stages of processing. Alongside the fulfillment of legal brand formalities, our approval particularly requires that processing is carried out in a method approved by us.

## **9. Confidentiality / Intellectual Property Rights**

### Permitted Use

Except as required for the bona fide performance of services by the Purchaser, or as we may otherwise authorize in writing which shall include email, the Purchaser will not use, analyze, directly or indirectly, the graft or masterbatch compound as to its composition or deliver to third parties either the graft or masterbatch compound or any end product containing the graft or masterbatch compound, or transmit, display, duplicate, communicate, publish, or disclose at any time, either during or after the completion of testing, any of our confidential information, or recollections of our confidential information.

### Protection of Confidentiality

The Purchaser will treat all of our confidential information disclosed to them, or of which they learn, as strictly confidential and proprietary to our Company except to the extent that the Purchaser can prove that our confidential information is now, or later becomes, generally known to the public through no fault of the Purchaser or that it was lawfully in its possession prior to learning of it from our Company. The Purchaser will take reasonably diligent precautions to protect our confidential information from discovery, use, duplication, or misappropriation by others, using precautions at least as rigorous as those that the Purchaser would use to protect its own most valuable and most sensitive trade secrets and intellectual property. The Purchaser will not disclose any of our confidential information to anyone, in whole or in part, except to one or more of the Purchaser's co-workers and employees ("Representatives") who have a "need-to-know" such confidential information in connection with the performance of services, and then only if the Representative first agrees to be bound by the terms of this contract by signing below. The Purchaser will not disclose any of our confidential information to any third party, directly or indirectly, without first obtaining our Company's written permission and then always subject to any terms we may impose.

## **10. Validity**

On voidance of individual provisions in this contract, the remaining provisions remain unaffected. The Terms and Conditions apply to all future business even if they are not referred to by us specifically again.

## **11. Place of performance**

The place of performance for delivery and payment, including carriage paid deliveries, is Langley, BC, Canada. For CIF and DDP business the place of offloading is the place of performance.