

General Terms and Conditions of Sale and Delivery (GT&C)
Regulus Coating GmbH, Paul-Gossen-Str. 114, 91052 Erlangen, Germany

§ 1 Scope of application

(1) Any delivery, service, offer or quotation shall be subject exclusively to our GT&C as defined below. These GT&C shall not apply unless the purchaser is an entrepreneur (Section 14 of the German Civil Code), a corporate body under public law, or a special fund under public law.

(2) Our GT&C shall also apply to any future business transaction between the Parties even if no express agreement on these GT&C is made again. No order and no agreement to subsequently amend the content of any order shall be effective unless agreed in writing or confirmed in writing by us. The foregoing shall apply but shall not be limited to any agreement deviating from our GT&C.

(3) No general terms and conditions of a customer shall be applicable even if we do not expressly object to their applicability. Accordingly, no deviating, conflicting, or supplementary terms and conditions shall apply unless we have agreed to such terms and conditions in writing. Such approval requirement shall apply in every case, and, e.g., even if we make any delivery without reservation while being aware of any such customer GT&C. Any counterconfirmation by a purchaser with reference to the purchaser's general terms and conditions of business or purchase shall be objected to herewith.

§ 2 Contract conclusion

(1) Every offer or quotation shall be subject to change without notice and non-binding. Any order of goods placed by the purchaser shall be deemed a binding offer of contract. We can accept such offer of contract by sending a confirmation in writing or by telex within a period of two weeks.

(2) No drawing, figure, dimension, weight or other performance data shall be binding unless this is expressly agreed in writing.

§ 3 Prices and payment

(1) Our list prices shall apply as valid at the date of contract conclusion plus the statutory value-added tax as applicable from time to time. Prices shall be deemed ex works or ex warehouse.

(2) The minimum order value shall be EUR 250,- for any order from Germany, EUR 500,- for any order from an EU country, or EUR 1,000,- from any non-EU country.

(3) Unless as otherwise agreed in writing, the invoice amount shall be due and payable net within 30 days after issuing the invoice.

(4) If the purchaser incurs in any delay, we shall be entitled to charge interest in an amount of 9% above the base interest rate from the corresponding date on. We shall reserve the right to assert claims for any higher loss or damage caused by late performance.

(5) If we become aware of any circumstance compromising the purchaser's credit status, including but not limited to any cessation of purchaser payments, we shall be entitled to demand the immediate payment of the entire balance due. In such case, we shall also be entitled to demand advance payment or the provision of security.

(6) The purchaser shall not be entitled to offset or retain any amount unless the counterclaims are either recognized by declaratory judgment or indisputable. In case of any defect in the delivery, the reciprocal rights of the purchaser shall remain unaffected, including as per but not limited to Section 7 (3) of these GT&C.

(7) In spite of any purchaser redemption terms to the contrary, we shall be entitled to first credit any payment against the purchaser's older debts, and will inform the purchaser about the kind in which setting off has been made. If any costs and interests have already been incurred, we shall be entitled to credit any payment first to the cost, then to the interests, and finally to the main deliverable.

(8) Payment shall not be deemed made unless the amount is available to us. Payments via check or bill of exchange will not be accepted.

§ 4 Delivery, delivery period

(1) Any agreement on a binding delivery date or period shall be made in writing.

(2) Where any circumstance beyond our control delays the performance of any order accepted, we shall immediately inform the purchaser thereof while also indicating the anticipated new delivery period. If performance is not available within the new delivery period either, we shall be entitled to rescind the contract fully or in part; any consideration already provided by the purchaser will be immediately refunded by us. Events beyond our control shall be deemed to include but shall not be limited to any State intervention, disruption to operations, strike, lockout, disturbance of work caused by political or economic conditions, shortage of raw materials or factory supplies required, delay in transport due to any traffic disruption, or inevitable event occurring with any of our upstream suppliers or third-party, and on which we depend for maintaining our operations. If and where the aforesaid delay exceeds four (4) months, the purchaser shall be entitled to rescind the contract.

(3) The occurrence of our delay in delivery shall be as determined by statutory provisions. A reminder by the purchaser shall nonetheless be required in every case.

(4) We shall not be entitled to make any partial delivery or provide any partial service unless such partial delivery or service is of interest to the customer, and does not cause any material additional expenditure to the customer.

(5) The fulfilment of our obligation to deliver or provide service shall be subject to the timely and proper performance of the purchaser's obligations. We shall reserve the right to refuse/suspend performance until the other party performs (defence of non-performance).

(6) If the purchaser incurs in any default of acceptance, we shall be entitled, if the purchaser's refusal to accept performance or cooperate as required is to be regarded as a renunciation of the agreement or as a considerable threat to the purpose of the contract, to demand compensation for the loss or damage caused to us; upon the occurrence of any such default of acceptance, the risk of incidental deterioration and incidental loss shall pass to the purchaser.

(7) In case of any custom-made product, we shall reserve the right to make excess or short deliveries, which are unavoidable and reasonable for the purchaser, in an amount of up to 10% without any specific prior notification.

(8) Any object ordered on call must be called off within six (6) months by the latest unless as otherwise agreed in writing.

(9) The outbound delivery of any order will always be made in full standard packages. To allow this, we shall be entitled to modify any purchase order quantity accordingly if required.

(10) Delivery shall be made ex warehouse which shall also be deemed to be the place of performance for delivery and for any subsequent performance.

(11) We shall have no obligation to permit the use of any means of production by the customer even though we may have purchased or made any such means specifically for any particular order.

§ 5 Passage of risk, shipment

(1) Upon the purchaser's request and expense, goods will be shipped to another place of destination (sale to destination according to buyer's instructions); we shall be free to choose the means of transport. Upon the customer's request, goods will be insured by us against shipping damage for the customer's account.

(2) In case of any sale to destination according to buyer's instructions, the risk of accidental loss and accidental deterioration of the goods as well as the risk of delay shall pass to the customer upon hand-over to the person performing transport and by the latest when leaving the warehouse/plant. (Section 447 of the German Civil Code) If shipment is delayed upon the customer's request or becomes impossible through no fault on our side, risk shall pass to the customer upon the notification of readiness to deliver.

§ 6 Retention of title rights

(1) Until all claims are fulfilled (including any balance claim from current account), which accrue to us against the purchaser on any legal ground whatsoever, whether present or future, the following securities shall be provided to us, and will be released by us upon request at our option if and where the value thereof exceeds our claims by more than 10% on a sustainable basis.

(2) The goods shall remain our property. Processing or transformation shall always be performed for us as manufacturer but without any obligation on our part. Should our (co-)ownership expire due to any combination, the parties shall agree already now that such purchaser (co-)ownership in the resulting combined object will pass to us in proportion to our share in the value (invoice value). The purchaser shall safeguard our (co-)ownership free of charge. Any good, in which we have any (co-)ownership, shall hereinafter be referred to as good subject to retention of title.

(3) The purchaser shall have the right to process and sell any such good subject of retention of title in the ordinary course of business unless the purchaser is in default. Any pledge or transfer for security purposes shall be inadmissible. The purchaser shall agree to immediately notify us whenever such goods should be exposed to seizure by any other creditor. The purchaser shall hereby assign to us by way of security and to the full extent any claim (including but not limited to any balance claim from current account) existing with regard to any good subject to retention of title based on resale or on any other legal ground (insurance, wrongful act). We shall accept such assignment. We shall authorize the purchaser on a revocable basis to collect any claim assigned to us on the purchaser's own behalf but for our account. Such collection authorization cannot be revoked unless the purchaser fails to properly meet its obligations to pay.

(4) The purchaser shall treat the goods with care, take out adequate insurance for them, and maintain them where required.

§ 7 Warranty

(1) The purchaser's warranty rights shall be subject to the purchaser having properly fulfilled the purchaser's duties to inspect the goods and notify defects as provided for in Section 377 of the German Commercial Code (HGB). Accordingly, the purchaser shall agree to inspect all parts of delivery for completeness, accuracy and absence of defects immediately after receiving the goods, and immediately notify any non-conformity in writing while precisely describing the quantity and enclosing samples of any non-conforming material. In every case, any apparent defect shall be notified in writing and be described precisely within one calendar week after receiving the goods, while any hidden defect shall be notified in writing and be described precisely within the same time limit after discovery during examination. Otherwise, the goods shall be deemed approved.

(2) If any defect exists in the purchased item, we may, at our option, either remove the defect, or deliver a new item. In case of defect correction, we shall agree to bear all expenses as required for the purpose of defect correction, including but not limited to any transport costs, travel costs, labour costs, and material costs unless if and where such costs are increased by the fact that the purchased item has been moved to a location other than the place of performance.

(3) We shall be entitled to make any supplementary performance owed conditional upon the payment of the purchase price due by the purchaser. The purchaser shall nonetheless have the right to retain a part of the purchase price as reasonable in relation to the defect.

(4) The customer shall grant us time and opportunity as required for any subsequent performance owed, and shall, in particular, deliver the non-conforming goods for inspection purposes. In case of delivery for replacement, the customer shall return the defective object to us in accordance with the statutory regulations. We shall pay any postage and shipment cost for returning non-conforming parts. The purchaser shall agree to choose the least expensive way of return shipment.

(5) Any return shipments shall be subject to our prior consent. Any decision will be made exclusively by the supplying factory. No representative shall have any authority for deciding on any material defect or quality discrepancy. Custom-made products cannot be taken back. For any return shipment made for credit but not caused by us, we shall retain a handling fee in an amount of 10% of the net value of merchandise.

(6) If we are unable to correct a defect or provide a replacement or if such correction or replacement is delayed beyond a reasonable period of time, or if defect correction or replacement delivery fails in any other way or cannot be reasonably accepted by the purchaser, the purchaser can either rescind the contract, or reduce the purchase price. Nonetheless, no right of rescission shall be available in case of any immaterial defect. Repeated subsequent deliveries shall be allowed. Remedial action shall be deemed failed after the second unsuccessful attempt.

(7) The general period of limitation applicable to any claim resulting from any defect as to the quality, material or title of our products shall, in derogation of Section 438, no. 3 of the German Civil Code, basically be one (1) year from the day on which the risk passes to the purchaser. Such limitation period shall not apply if and where any longer period is stipulated by law including as per but not limited to Section 444, or in case of injury to life, body or health, in case of intentional or grossly negligent breach of duty by us, or in case of any fraudulent concealment of a defect.

(8) No claim of the purchaser for any compensation in damages or reimbursement of any wasted expenditure including for but not limited to any defect shall be deemed to exist unless pursuant to Section 8, and shall be excluded in any other respect.

(9) The purchaser shall have no warranty claim if the delivery item has been used in combination with any third-party item, has not been used in accordance with the intended purpose, has not been stored properly, or has been exposed to any adverse influence, whether by the purchaser itself or by any third party, if and where the damage occurred has been caused by any such circumstance.

(10) No warranty shall be assumed for the use or usability of any experimental or trial product expressly sold by us as such.

(11) We shall be entitled to refuse any warranty if any coloured film is not or lightfast or light-resistant.

§ 8 Limitation on liability

(1) Any claim for damages shall be excluded unless as otherwise provided for in this section. Such exclusion shall not be applicable to any loss or damage caused by any intentional or grossly negligent act. Such exclusion shall, furthermore, not be applicable to any purchaser claim for damages due to any injury to life, body and/or health. A claim for damage shall, moreover, not be excluded if we have fraudulently concealed any defect, or assumed any warranty as to the quality of the goods.

(2) In case of ordinary negligence, we shall not be liable unless having neglected a duty the fulfilment of which is of particular importance for achieving the purpose of the contract. Such a duty shall be deemed to exist if its fulfilment makes the performance of the contract possible in the first place, or if the customer relies and may rely on its observance. In this case, liability shall be limited to any loss or damage whose occurrence must typically be expected within the scope of the contract. We shall not be liable for any loss or damage which is completely untypical or unexpected.

(3) The foregoing paragraphs 1 and 2 shall, furthermore, not apply to any claim in accordance with Sections 1, 4 of the German Product Liability Act (ProdHaftG).

(4) Where our liability is either excluded or limited under these GT&C, such exclusion or limitation shall also apply to the personal liability of our clerical staff, workers or employees, and representatives.

(5) For any breach of duty not consisting in a defect, the purchaser may not rescind or terminate the contract unless such breach of duty has been under our control.

§ 9 Secrecy

(1) Unless as expressly agreed otherwise in writing, any information provided to us in relation with any purchase order shall not be deemed confidential.

(2) The delivery of any experimental or trial product as well as the exchange of any information thereon shall be subject to secrecy.

§ 10 Final provisions, place of jurisdiction

(1) These GT&C and the entire privity of contract between us and the purchaser shall be subject to the laws of the Federal Republic of Germany. The UN Sales Convention shall not be applicable.

(2) If and where the purchaser is a merchant as defined in the German Commercial Code, a corporate body under public law, or a special fund under public law, the place of performance and exclusive place of jurisdiction for both parties and for every claim arising from the business relationship, whether current or future, and also for any action in proceedings related to a bill of exchange or restricted to documentary evidence shall be Cologne, Germany.

(3) If any provision in these GT&C or any provision within the scope of any other agreement should be or become invalid, such invalid shall not affect the validity of any other provision or agreement. To the extent of such invalidity, the contents of the contract or agreement shall be governed by the statutory provisions. If a corresponding statutory provision is unavailable or leads to an unacceptable result, such ineffective provision shall be replaced by a provision which will be agreed by the parties instead of the ineffective clause, and which most closely matches the economic purpose of the ineffective provision.