

Dear Sirs,

As you know, PRO-plast markets, inter alia, residues and surplus plastic raw materials as individual batches (new goods, regrind, pellets etc.). Many batches are bought as stock and it sometimes takes weeks or months to find a purchaser for them.

You will also be aware that, in the case of raw materials for plastics, certain defects can only be established during processing at the earliest. Examples of typical defects are as follows:

In the case of new goods:

1. Qualities and features different from those promised
2. Different type/setting from what was promised
3. Impurity and/or other hidden defects

In the case of regrind, pellets etc.:

1. Presence of foreign plastics, metal or other foreign substances
2. Reduced material qualities through impurity and/or through thermal damage
3. Other concealed defects

Almost every batch of goods passes through our store and is thoroughly checked there for externally apparent defects. If we notice transport damage or defects visible on inspection, we will immediately notify you. Concealed defects however may only be noted when the material is processed. This may possibly be a long time after delivery.

For this reason, our purchases from you shall be governed exclusively by our General Purchase Conditions which are printed below.

Yours faithfully

PRO-plast X-Trade GmbH

General Purchase Conditions

1. Orders

Our General Purchase Conditions shall apply exclusively; we shall not recognize any conditions on the part of the supplier which are inconsistent with or different from our General Purchase Conditions, unless we have expressly agreed in writing that they shall apply. Our General Purchase Conditions shall apply even if we accept delivery without reservation, in the knowledge of conditions on the part of the supplier which are inconsistent with or different from our General Purchase Conditions.

Acceptance and performance of the order shall constitute recognition of our conditions.

In principle, we only recognize orders placed by us in writing as binding. Orders placed orally must be confirmed by us in writing in order to be valid. The requirement for the written form may be waived in an individual case by an oral agreement. The validity of oral warranties, ancillary agreements, contractual amendments etc. which are made after the contract is concluded shall be unaffected in this respect. **Agreements made on our part by employees who are not entitled to represent the company shall not however be binding on us unless they are confirmed by a person entitled to represent the company.**

Our General Purchase Conditions shall apply only in respect of businessmen, legal entities under public law and public-law special funds for the purposes of § 310(1) of the German Civil Code (Bürgerliches Gesetzbuch). They shall also apply to all future transactions with the supplier.

2. Quality - Packaging

New goods must be delivered in undamaged original containers. The original manufacturer's marking on the goods must still be present (e.g. stamp or label with batch number).

Unless otherwise agreed, regrind must be clean, dry, pure in terms of type and colour, free from metal and low in or free from dust and must come from initial processing. The grain size must be in the range from 2 to 8 mm. The delivery container must be marked with its content. New plastic or paper sacks or "as new" octabins or large cartons with a closed inner sack shall be used as packaging.

New goods, regrind etc. must be placed on stable pallets and protected against slippage during transportation and storage.

3. Prices – Payment conditions

The price shown in the order shall be binding. Unless otherwise agreed, we shall pay the purchase price less a 3% discount within 10 days, calculated from the date of delivery and receipt of the invoice, or net within 60 days.

We shall be entitled to the rights of offsetting and retention permitted by law.

4. Delivery period

In the event of delay in delivery, we shall be entitled to the statutory rights. In particular, we shall be entitled to demand compensation in place of performance after a reasonable period has expired without any result. If we demand compensation, the supplier shall be entitled to show that he is not responsible for the breach of obligation.

5. Defects - Warranty

PRO-plast shall be entitled to complain of defects visible on inspection within five working days from the date of receipt of the goods, and to complain of defects which are not visible on inspection within three working days of discovery, unless the contracting partner's sale conditions provide for a longer period.

Justified defects shall be rectified by the supplier in such a manner that PRO-plast does not incur any material loss as a result of the delivery of defective goods (if applicable, reduction in the purchase price or taking the goods back and refunding the costs). PRO-plast shall refrain from requiring a party who has supplied defective goods to make a replacement delivery of perfect goods.

The limitation period shall be 36 months, calculated from the passing of risk.

6. Product liability

To the extent the supplier is responsible for product damage, he shall indemnify us on first demand in respect of third-party compensation claims insofar as the cause is within his control and organizational area and he himself is liable in the external relationship.

7. Property rights

The supplier guarantees that he shall not infringe third-party rights either intentionally or negligently in connection with or as a result of his supply. If, contrary to the above guarantee, a claim is made against us by a third party, the supplier shall indemnify us against such claims on written request. If the supplier is liable for the infringement of the property right, his obligation to indemnify us shall extend to all expenditure incurred by us from or in connection with the claim by a third party.

The limitation period for these claims shall be 36 months, starting with the concluding of the respective contract.

8. Place of performance - Jurisdiction

The place of performance for deliveries and services shall be the place of receipt indicated by us; the place of performance in respect of payments shall be Weiterstadt.

Darmstadt shall be the exclusive venue for jurisdiction. German law shall apply exclusively. The application of the UN Convention on the international sale of goods (CISG) is excluded.

9. Prevailing language

The present General Purchase Conditions have been drafted in German and in English. For purposes of its interpretation and in case of any possible conflict between German and English text the German version shall be decisive and shall prevail.