

Application

1.1 These conditions apply to every offer, quotation and contract between 'Schwarzataler Recycling International B.V.', hereafter referred to as: "Seller", and a buyer to whom Seller has declared these conditions to be applicable, to the extent that these conditions are not expressly varied by the parties in writing.

1.2 These conditions are applicable to all transactions and legal relations between Seller and buyer, including if the (legal) relations do not result in or are not in connection with a contract.

1.3 The application of any purchase or other conditions belonging to buyer is expressly excluded.

1.4 These present conditions are equally applicable to agreements with Seller for the performance of which Seller involves third parties.

1.5 The general terms and conditions apply to the employees of Seller and its directors.

1.6 If one or more provision(s) in these general terms and conditions becomes void or may be nullified at any time either wholly or partly, then the other provisions in these general terms and conditions remain fully applicable. Seller and buyer will in that case consult together in order to agree new provisions to replace the provision(s) that have become void, whereby as far as is possible the aim and the scope of the original provision(s) will be respected.

1.7 If uncertainty exists regarding the meaning of one or more provisions of these general terms and conditions, then they are to be interpreted 'in the spirit' of these provisions.

1.8 If a situation arises between the parties which is not covered by these general terms and conditions, then that situation is to be judged in the spirit of these general terms and conditions.

Offers, quotations, coming into existence of the contract

2.1 All offers or quotations by Seller are made without commitment and are not binding unless a period for acceptance is stated in an offer or quotation. Offers or quotations by Seller only represent an invitation to the buyer to place an order.

2.2 An offer or quotation by Seller lapses if in the meantime the product to which the offer or quotation relates is no longer available.

2.3 Seller cannot be bound by its offer or quotation if buyer should reasonably understand that the offer or quotation, or a part of it, contains an obvious mistake or textual error.

2.4 The products of Seller are recycled products, unless otherwise indicated in the documents/specification. The properties of these products (such as weight, melt flow index, colour, thickness and/or other description) are stated in the documents/specification. Because they are recycled products Seller can not guarantee the absence of variations from the documents/specification made available. If buyer demonstrates that the products delivered vary to such an extent from the documents/specification of Seller that he can no longer be reasonably bound to accept delivery of them, buyer has the right to terminate the contract, however only to the extent that termination is reasonably necessary.

2.5 Seller reserves the right to make changes in the composition of the products to be supplied by it, if compelled to make changes by, amongst other things, law or regulation. Seller guarantees that the functional properties of the products will not be adversely affected in that case.

2.6 A combined price specification does not bind Seller to supply a part of the order for a comparable part of the stated price. Offers do not automatically apply to future orders.

2.7 A contract only comes into existence if and to the extent that Seller has accepted a written order from buyer and when any security, including an irrevocably confirmed letter of credit, has been accepted by Seller in writing. Every contract is entered into by Seller on the fundamental condition that buyer, in the exclusive judgement of the credit insurer of Seller, appears to be sufficiently creditworthy to correctly perform the contract

2.8 If the acceptance (other than in respect of immaterial points) varies from that which is contained in the quotation or the offer, then Seller will not be bound by it. The contract does not then come into existence in accordance with this variation of acceptance, unless Seller states this.

Amendments and additions

3.1 Amendments and additions to any provisions in a contract and/or these conditions are only binding if expressly agreed in writing.

Prices

4.1 All prices are expressed in Euro, excluding BTW (VAT), other government charges, and any costs in entering into the contract, including travel and accommodation and administration costs, unless otherwise stated in writing.

4.2 Special forms of packaging and dispatch will be separately charged to buyer, unless otherwise agreed in writing.

4.3 The prices stated by Seller are based on the purchase prices, transport prices, currency rates, taxes etc ruling at the time of entering into an agreement. If one or more of such assumed factors is increased after entering into an agreement but prior to delivery, Seller has the right to charge such reasonable increase to buyer.

4.4 Buyer indemnifies Seller for all costs and damage that may arise for Seller from the fact that buyer is not properly registered for tax on turnover or similar tax in a relevant EU member state.

4.5 Buyer indemnifies Seller for all costs and damage that may arise for Seller from the fact that buyer provides incorrect information or is late providing information to Seller and/or authorities in relation to tax on turnover or a comparable tax in a relevant EU member state.

Payments

5.1 Payment is to occur without any reduction for discount, banking costs or compensation, within 14 days of invoice date unless otherwise expressly agreed in writing. All payments are to be made to a giro or bank account indicated by Seller in the agreed currency, under reference of the invoice number(s) involved.

5.2 Buyer is at all times responsible for the performance of the payment obligation that results from a contract.

5.3 In the event of failure to pay within the ruling payment period, from the date the payment period is exceeded, without further notice of breach, buyer is legally in default and is liable to pay interest from commencement of the breach, equivalent to the legal interest rate for trading transactions. The amount upon which interest is calculated will continue to be increased at the end of the month by the interest that has accrued during that month.

5.4 Seller has the right to apply payments made by buyer in the first place in reduction of costs, thereafter in reduction of accrued interest, and finally in reduction of the capital amount and continuing interest.

5.5 Seller may, without thereby becoming in breach, refuse an offer of payment, if buyer indicates a different order of allocation of the payment. Seller can refuse full payment of the capital amount due, if at the same time the accrued and continuing interest and debt recovery costs are also not settled.

5.6 Buyer is never entitled to recalculate the amount charged to him by Seller.

5.7 Objections to the amount of an invoice do not defer the obligation to make payment. A buyer who does not make a claim under section 6.5.3 (articles 231 to 247, book 6 BW) is equally not entitled to delay payment of an invoice for any other reason.

5.8 If buyer is in breach or fails to perform its duties on time, all reasonable costs for obtaining payment out of court are the responsibility of buyer. The out-of-court costs are calculated on the basis of what is normal in Netherlands debt recovery. If however Seller has incurred higher costs of recovery which were reasonably necessary, the actual costs incurred to obtain payment will apply. Any legal and execution costs incurred will also be recovered from buyer. Buyer is also responsible for interest on the debt recovery costs incurred.

5.9 All legal costs will be charged to buyer, including reasonable costs for legal support with or without a court case, calculated in accordance with the tariffs of the Association of Dutch Advocates.

5.10 Payments by buyer will be applied in the first place in reduction of legal and out-of-court costs, thereafter in reduction of interest that has accrued, and finally in reduction of the capital sum and the continuing interest, whereby payments will be allocated in reverse chronological order, meaning the first payment counts as payment of the longest outstanding debt.

Termination, dissolution, and early cancellation of the contract

6.1 Seller is authorised to terminate performance of its obligations or to dissolve the contract, if:

- Buyer does not perform its duties under the contract, or does not perform them fully or on time.

- After entering into the agreement circumstances become known to the Seller giving good reason to fear that buyer will not perform its obligations.
- In entering into the agreement buyer is requested to provide security for performance of its obligations under the contract, and this security is not provided or is insufficient.

If due to delay on the part of buyer, it can no longer be demanded of Seller that he should perform the contract subject to the conditions originally agreed, Seller is entitled to dissolve the contract.

6.2 Seller is furthermore entitled to dissolve the contract if circumstances arise which due to their nature make performance of the contract impossible, or if in some other way circumstances arise which by their nature make it no longer reasonable to expect the Seller to further perform the contract without amendment.

6.3 If the contract is dissolved, all claims of Seller against buyer become immediately enforceable. If Seller terminates the performance of its obligations, it reserves its rights under the law and the contract.

6.4 If Seller initiates termination or dissolution, it is in no way obliged to pay compensation for any damage or costs which may in any way arise as a result.

6.5 If dissolution is due to the fault of buyer, Seller is entitled to compensation for damage, including costs, both direct and indirect, arising therefrom.

6.6 If buyer does not comply with its obligations arising under the contract and this failure to comply justifies dissolution, then Seller is entitled to dissolve the contract immediately and with immediate effect without any obligation on its part for the payment of any compensation for damage or indemnity for damage, whilst buyer, due to failure to perform, is bound to pay compensation for damage and to indemnify for damage.

6.7 In the case of liquidation, of (request for) deferral of payment or bankruptcy, seizure of goods to the charge of buyer – if and to the extent seizure is not released within three months –, compromise with creditors or any other circumstances whereby buyer is no longer able to freely dispose of its assets, Seller is entitled to dissolve the contract immediately and with immediate effect, without any liability on its part for compensation of damage or indemnity for damage. In that case all claims of Seller against buyer become immediately enforceable.

6.8 If buyer cancels an order that has been placed in whole or in part, then the products ordered or prepared for it, together with any disposal, transport and delivery costs and the labour time reserved for it under the contract, will be wholly charged to the buyer.

Delivery period

7.1 The delivery period for products stated by Seller is based on the circumstances ruling at the time of entering into the contract. These delivery periods are only an indication and can never be regarded as fundamental terms. Seller only enters into breach after he has been given notice of breach in writing by buyer, and buyer has in doing so given him the opportunity to still deliver within a reasonable period, and Seller has not acted on this. Delivery periods commence on the date that the contract comes into existence, in accordance with article 2.7, or commence as agreed in writing.

7.2 In the event of any period being exceeded, buyer has no right to (damage) compensation as a result. Buyer only has a right to dissolve the contract in the case of excessive delay (more than 12 weeks) beyond the agreed delivery period, unless the failure to deliver on time is caused by force majeure.

7.3 Seller is at all times entitled to deliver the products in instalments. Seller is entitled to request payment for part delivery prior to delivering the other instalments.

Delivery

8.1 Delivery terms are agreed per transaction. All delivery terms apply in accordance with the incoterms ruling from time to time.

8.2 Should buyer for any unlawful reason not accept products, or not accept them on time, he will be in breach without requirement of notice. Seller is then entitled to store the products at the cost of and at the risk of buyer or to sell them to a third party. Buyer remains liable for the capital amount due, increased with interest and costs by way of compensation for damage, reduced if applicable by the net amount realised from the sale to a third party.

8.3 The failure by buyer to perform any obligation to make payment (on time) suspends the obligation of Seller to make delivery.

Force majeure

9.1 If Seller cannot perform its obligations to buyer due to incapacity that is not its fault, those obligations are suspended for the duration of the force majeure situation.

9.2 If the force majeure situation has endured for three months, both parties have the right to fully or partly dissolve the contract in writing.

9.3 In these general terms and conditions, force majeure is understood, in addition to its meaning within the law and in jurisprudence, to mean all external causes, foreseen or unforeseen, upon which Seller cannot exercise any influence, and due to which Seller is not in a position to perform its obligations, including, but not limited to, transport difficulties, non-supply or late supply by suppliers of the Seller, strikes and fire. Parties should inform each other as quickly as possible of a (possible) force majeure situation.

9.4 If the contract has already been partly performed by Seller, buyer will settle the sales price of the goods already delivered.

Retention of title

10.1 Property in the products only transfers to the buyer, in spite of actual delivery, after it has fully satisfied all its obligations to the Seller, arising or to arise in respect of products to be delivered under any contract, including the purchase price, any accrued interest payable arising as a result of these conditions or the contract, taxes, costs and claims in respect of failure to perform buyer's obligations under any contract. All products delivered by Seller in relation to the contract remain the property of Seller until buyer has properly complied with all its obligations under the contract(s) entered into with Seller.

10.2 Until property in the products has been transferred to buyer, buyer is not entitled to sell the products to third parties, to hire them out or to allow third parties to use them, to pledge them or in any other way to create a charge on them for the benefit of third parties. Until property in the products has been transferred to buyer, products may never be used as a means of payment.

10.3 Buyer must always do that which can be reasonably expected of it in order to protect the ownership rights of Seller. Buyer is bound to preserve the products that are delivered subject to retention of title carefully and as recognisable property of Seller, and to ensure them against risks such as

fire, explosion, water damage and theft, this at buyer's expense but in the name of Seller. This applies equally in cases where buyer asks Seller to store the goods. At first request buyer will cede all rights in relation to the insurers involved to Seller if and for as long as Seller is owner of the products; buyer will immediately inform Seller in writing if any part of the products is lost or damaged. The policy for the insurance referred to above must be supplied to Seller upon first request by buyer. In the event of a payment being made under the insurance, Seller is entitled to the funds. To the extent necessary buyer commits itself in advance in favour of Seller to giving its assistance with all that may (appear to) be necessary or desirable in this context.

10.4 In the case that Seller wishes to exercise its ownership rights under this article, buyer gives in advance and irrevocably its permission to Seller and to third parties appointed by Seller, to enter all places where the property of Seller is located and to take the products back.

10.5 In the event of seizure, (temporary) deferral of payment or bankruptcy, buyer will immediately inform the bailiff seeking to seize the goods, the administrator or the liquidator, of the (ownership) rights of Seller in the products. If third parties seize the products delivered under reservation of title or wish to attach or enforce rights to them, buyer has a duty to immediately inform Seller of this.

10.6 Buyer must at all times do that which can be reasonably expected of him in order to respect the ownership rights of Seller.

10.7 Buyer must in no circumstances store the products outside, without cover.

Inspection and control

11.1 Buyer has a duty to ensure adequate facilities for the reception and storage of the products, and confirms that these facilities comply with the regulations applicable to them, including health and safety regulations, and that all necessary licences relating to them have been obtained.

11.2 Buyer has a duty to carefully inspect or have inspected the products immediately upon arrival at their destination, or if earlier, upon them being received by buyer, to determine whether they conform with the contract. Any complaints about the products in relation to differences in properties of the products (such as weight, melt flow index, colour, thickness and/or other properties) between the delivered products and the documents/specifications made available for

them, must be reported to Seller in writing within no longer than eight days following delivery of the products.

11.3 Any faults that could not reasonably be established within the period stated in article 11.2, must be reported to Seller in writing immediately upon them being observed and no later than 14 days following delivery.

11.4 The report must give a description of the fault that is sufficiently detailed to enable the Seller, if possible, to react adequately. If a fault is possible to observe visually, buyer must report it together with supporting visual evidence. Buyer must give Seller the opportunity to investigate the complaint or to have it investigated.

11.5 If the buyer makes a complaint on time, this does not defer its obligation to make payment. In that case buyer also remains bound to take delivery and make payment for products ordered.

11.6 If a fault is reported too late, then buyer has no longer any right to recovery, replacement or compensation for damage.

11.7 If it is established that products are faulty and this is reported on time, then Seller shall, within a reasonable time after receiving goods in return, or if return is not reasonably possible, after written notice by the buyer in respect of the matter, at the choice of Seller, replace or ensure their repair or make payment of equivalent compensation to the buyer. In the case of replacement, buyer is bound to return the product to be replaced to Seller and to transfer the ownership of it to Seller, unless Seller indicates otherwise.

11.8 If it is established that a complaint is without grounds, then the costs that arise as a result of it, including investigation costs, on the part of the Seller, are entirely the responsibility of buyer.

11.9 The right of buyer to make a complaint lapses if buyer changes the products delivered in any way, by for example, but without limitation, manipulating, processing, mixing, mixing together, addition to/of other (raw) materials and/or additives.

Stipulations

12.1 Buyer shall extend all required cooperation to Seller for the investigation of the complaint, including allowing Seller the opportunity to carry out or have carried out an investigation on site. Buyer must permit Seller to arrange for inspec-

tion of the products involved to take place by an expert or an independent approval body. If the complaint is declared to be well founded by the expert, the costs of the inspection are to be borne by the Seller. In the case of a declaration that the complaint is not well founded the costs are to be borne by the buyer.

12.2 Buyer has no right to make complaint in respect of the goods delivered if the complaint cannot be verified by Seller.

12.3 Buyer is not entitled to return the products until Seller has agreed to this in writing. Costs of return are to be borne by the buyer and the products remain at its risk.

12.4 Faults in relation to a special consignment of products, or part of a supply comprising more than one consignment, only afford buyer the right to dissolve the entire contract if it is not reasonably possible to require the buyer to continue with the rest of the contract.

12.5 Buyer cannot exercise its right to make a complaint if buyer is in breach of its own reciprocal obligations in favour of the Seller.

12.6 If buyer makes a complaint on time, correctly and with good grounds in relation to faults with a product, the liability flowing from this to the Seller is limited to the obligations described in article 13, having regard to the other provisions of article 13, and in the light of the nature of the complaint.

Guarantee

13.1 If in the reasonable judgement of Seller it has been sufficiently established that the products supplied do not function correctly and buyer has complained in accordance with article 11.2, Seller has the choice to replace the products that have been found to be faulty free of charge, subject to return of the products found to be faulty, or to afford the buyer a reduction in price of an amount to be agreed in consultation, whereafter Seller shall be deemed to have fully acquitted its guarantee obligations and will not be obliged to pay any further compensation.

Liability and indemnity

14.1 Seller accepts no liability for the performance of the products during processing of these products. Buyer is bound to verify that all signs and descriptions on containers of the packaging correspond to those specified by the Seller in the contract, and is bound to establish whether the products are appropriate for processing and/or use.

14.2 Except in the case of intent or gross negligence on the part of the Seller, and with the exception of legal liability based on binding legal provisions, the Seller is never liable for any damage suffered by buyer. Liability for indirect damage, consequential damage, loss of profits, missed savings, damage due to business interruption, immaterial damage or damage to the business are furthermore expressly excluded.

14.3 Seller is exclusively liable for direct damage.

14.4 If and to the extent that, in spite of the provisions in article 14.2, any liability attaches to Seller, on any basis whatsoever, then this liability is limited to an amount equal to the net invoice value of the products involved, or rather to that part of the order to which the liability relates, subject to the understanding that the liability of the Seller will not exceed an amount of €20,000 per incidence of damage. A series of connected events causing damage counts as one event/incidence of damage for the purposes of this article.

14.5 Except in the case of gross negligence or deliberate action by the Seller, the buyer indemnifies the Seller for all liability to third parties on any basis whatsoever in relation to compensation for damage, costs or interest connected to the products that is to say resulting from the use of the products.

14.6 If the buyer makes a new item from the products delivered Seller has no liability whatsoever for faults and/or imperfections in the newly manufactured product.

Assignment of rights and duties

15.1 Seller is permitted to assign its rights and duties under a contract with buyer to third parties.

15.2 Buyer is not entitled to assign its rights and/or duties under the contract to any third party without prior written agreement from Seller.

Applicable law, jurisdiction

16.1 Dutch law is applicable to these conditions and to all contracts, equally if performance of anything connected to the contracts is to occur wholly or partly outside the Netherlands, or if the party involved in the contract is resident outside the Netherlands. The application of the Vienna Sales Treaty is excluded.

16.2 All disputes that arise from these conditions between Seller and buyer will be heard by the authorised court in Amsterdam, without prejudice to the rights of the Seller to

lay the dispute, if wished, before another authorised judge. Disputes between Seller and buyers resident outside the EU will be subject to binding arbitration in accordance with the Nederlands Arbitrage Instituut by one or more arbitrators appointed in accordance with the arbitration regulations of the N.A.I. The language used is English, arbitration takes place in Amsterdam.

16.3 Both buyer and Seller will only make a call upon the courts after they have first made their best efforts to settle a dispute amongst themselves in consultation.

16.4 These conditions are registered with the Chamber of Commerce. The latest version registered is applicable, that is to say the version ruling at the time of entering into legal relations with the Seller.

16.5 The Dutch version of the general terms and conditions always takes precedence in their interpretation.