



**1. Conclusion of Contract**

- (1) All orders received by us are governed exclusively by the following conditions unless otherwise agreed in writing or unless additional conditions apply to specific products. This applies even when the buyer has notified us of his own general terms of business, which may differ from these. Any statement by the buyer referring to his different terms of business is hereby contradicted. Our terms of sale and delivery shall be taken to have been accepted unless the buyer states otherwise. The purchase contract may not be transferred without our consent.
- (2) Orders only become binding on Rockwood Composites (RW) when confirmed by our written order acknowledgment.
- (3) The buyer shall not be authorized to cancel or change orders unless he informs the seller in writing of such cancellation or change not later than six weeks before the agreed delivery date and seller gives his consent.

**2. Delivery**

- (1) Unless the buyer gives any specific instructions all sales are considered ex-works. All deliveries are at the customer's risk, and expense. Our delivery commitments are fulfilled either on transferring the goods to the carrier or other transport undertaking, or on making the goods ready for collection if the buyer is to collect.
- (2) Where deliveries are made, they will be made at the best judgment with no guarantee of the cheapest freight charges. Any additional costs resulting from instructions given to us shall be borne by the buyer.
- (3) Delivery dates or periods are always without commitment unless we have made an explicit guarantee in writing to comply with such a delivery date or period. Claims for compensation by the buyer on grounds of delayed delivery are excluded, unless the delay is due at the very least to gross negligence. The buyer is entitled to withdraw from the contract provided he has set a reasonable extension.  
Delivery delays due to Acts of God or events which significantly increase the difficulty of delivery or make it impossible (this includes in particular strikes, lockouts, administrative orders, unforeseeable production problems, production made impossible or delayed by, unavoidable shortages of raw materials) and to other events for which we are not responsible, entitle us to postpone delivery for the duration of the problem plus a reasonable start-up time or to partially or entirely withdraw from the outstanding part of the contract. The buyer may not make any claims for compensation for such delays.  
Should the delivery be delayed for these reasons for more than two months, the buyer is entitled to withdraw the contract for the delayed portion for the delivery. Any further claims are excluded, unless the delay is due at the very least to gross negligence.
- (4) The buyer may not request delivery in the form of partial consignment of a specific size unless we have agreed to do so in our order acknowledgment.

**3. Defects**

- (1) The buyer must check (if necessary by trial processing), that the delivered goods are free from defects and are suitable for the intended application. Failure on the buyer's part to do this releases us from any liability.
- (2) Any objections as to quality or quantity must be reported within 20 days of receipt of the goods, stating the order details and the invoice and dispatch numbers. Concealed defects must be reported immediately upon discovery.
- (3) Correctly raised and justified claims shall be dealt with at our discretion by a price reduction, exchange or return of goods against reimbursement of the purchasing price.

- Disputed goods may only be returned with our express agreement (authorized RMA number).
- (4) Defects or any other non-contractual qualities of the goods only entitle the buyer to make the claims explicitly laid down in these rules. Any further claims, in particular for compensation of whatever kind, are excluded; this includes claims for compensation of damage not occasioned to the delivered goods themselves.
  - (5) Even in the case of justified claims, the purchase price must be paid at the agreed date, irrespective of any later settlement.
  - (6) Deliveries "damaged on arrival". This must be reported to the carrier immediately, and packaging must not be opened or moved prior to carrier's agreement. Supporting evidence (pictures) must be supplied to support any claim against the carrier.

**4. Invoicing**

- (1) Our unit of quantity shall be used for the purposes of invoicing and paying for the delivery.
- (2) Our selling prices are in £ (pounds sterling) and unless otherwise noted, are exclusive of VAT (Value Added Tax). VAT will be charged separately at the legally applicable rate.
- (3) Any discounts, bonuses, credit notes, etc. are calculated on prices exclusively of VAT.

**5. Payment**

- (1) All payment periods start from the date of invoice. All payments to us must be in cash in accordance with the conditions of payment granted by us. Unless otherwise provided for, payments must be made within 30 days from the date of invoice without any deduction. In the case of transfers to bank or postal giro accounts specified by us or in the case of cheque payments, payment will not be considered as having been made until an unconditional credit is made to our account.
- (2) Should a buyer fall into arrears with all or part of a payment, we shall be entitled to calculate interest from the date concerned in accordance with the prevailing lending rates charged by commercial banks, with the interest being, however, at least 3% per annum above the prevailing discount rate of the Bank of England. We reserve the right to make any further claim.
- (3) Should the buyer fall more than 3 weeks into arrears with a payment, or should he not honour a cheque upon maturity, or should there be any other grounds to doubt his capacity to pay, all the buyer's payment commitments will become due immediately. Furthermore, we are entitled to insist on the provision of securities against the fulfillment of any other overdue debts, to execute pending deliveries only against advance payment or against security, to forbid the treatment, processing and/or resale of any goods that are either our property or co-property and to claim their return. The buyer is obliged to grant us access to his business and storage premises and to allow us to take possession of those goods that are our property.
- (4) The buyer may not offset any debts without our express written approval. The buyer is not entitled to enjoy any right of lien against our demands.

**6. Reservation of Property Rights**

- (1) All goods supplied by us remain our property until all (including future) claims arising from business arrangements with the buyer have been settled.
- (2) Should the goods supplied by us be modified or processed, this shall be regarded as being on our behalf; we are the owner of any new goods resulting from such modification or processing. The buyer creates no claims against us by carrying out such modifications or processing. Should, by modification, processing or in any other way, our goods be combined or mixed with the

property of third parties, then we acquire co-property rights upon the result of such a process.

- (3) The buyer may resell goods supplied by us only after processing and after complete payment of the purchase price, the goods remaining our property until this has been done, and only in accordance with due and proper business practices. The buyer is permitted to resell goods supplied by us in an unprocessed state only if this has been expressly agreed in writing.
- (4) The buyer hereby assigns to us in advance all claims including accessory rights in their full amount, which he may acquire from the sale to his customers of goods which are our property or co-property; in the case of co-property this assignment is limited to the proportion we hold in the co-property. Should goods which are our property be sold together with other goods at a total price, the assignment will be limited to the proportion of the total price accounted for by the value of our goods in relation to the total value of the goods sold at the total price. Should goods, which are our property, be processed under a contract for work and labour, the claim for payment relating to the goods, which are processed, shall be assigned to us in proportion to the amount we charged for the good's.
- (5) The buyer is entitled to collect any debts assigned to us. Any monies raised from such collection must be transferred to us no later than when they become due. If buyer is in default with his payments or if his assets deteriorate in any major degree, we are entitled to disclose the assignment and to require the customer to pay us directly. The customer is also obliged, at our request, to inform his customers of the assignment and to supply us with all documents and information that may be necessary for implementing the assigned rights. The buyer is furthermore obliged to let us have, upon request, an exact list of all claims assigned to us, giving details of the debtor, the size of the individual claims, invoice details and any other information we may desire.
- (6) Should the value of the claims assigned to us and/or of the goods which are our property either before or after modification or processing exceed the value of our own claims against the buyer by more than 10% then we shall, on the request of the buyer, release claims or goods of our own choice to bring the excess down to no more than 10%.
- (7) The buyer is expressly forbidden to mortgage, assign or transfer as a loan security any goods that are our property of any claims that have been assigned to us.
- (8) The buyer is also expressly forbidden to conclude and execute global cession contracts or factoring contracts (assignment of the outstanding debts to a factoring undertaking or another third party as security transaction, so-called false factoring), in so far as such a contract relates to rights assigned to us in the general conditions of sale and delivery. The buyer is obliged to inform us upon the start of business relations with us or upon receipt of these conditions if contracts of the kind described in the preceding sentence have already been concluded with a third party.
- (9) The buyer is obliged to inform us immediately of any acts performed by third parties upon goods which are our property or upon claims which have been assigned should a repossession order be served, the buyer must indicate to the bailiff that the repossessed object is our property. The buyer must forward the repossession protocol to us immediately, confirming in writing that the repossessed object is our property. Should any action by third parties cause damage to our property, the buyer is obliged to provide compensation for such damage. The buyer shall bear all costs arising from our intervention.
- (10) Should we take possession of goods that are our property or should we ourselves collect the claims against the buyer that have been assigned to us, such action will not constitute a withdrawal

from the contract, but is taken merely to protect our claims. The buyer shall nevertheless remain bound to fulfill the contract.

- (11) Process and manufacturing technology and information relating to composite structures shall at all times remain our property and shall never be used by the buyer, unless specifically agreed in writing.

#### 7. Liability

- (1) Unless otherwise expressly provided for in these conditions, the buyer may not make any claims against us or our agents on whatever legal grounds for compensation for violation of contractual, pre-contractual or legal duties, unless this violation is intentional due to gross negligence.
- (2) In so far as our liability for violation of contractual, pre-contractual or legal duties is due to gross negligence, we shall be liable only for any damage which is foreseeable at the time of conclusion of the contract up to the amount of the sale price to be paid by the buyer.

#### 8. Validity

- (1) Should one or more of the provisions of these conditions be or become invalid, the validity of the remaining conditions shall not be affected. Moreover, any condition, which may be invalid, must be reinterpreted or amended so that the intended commercial purpose is achieved, in so far as it is permissible.
- (2) These general conditions of sale and delivery also apply to any future business, even when no explicit reference is made to them again.

#### 9. Place of Performance and Jurisdiction

- (1) The place of performance for our delivery commitments is the place from which we dispatch the goods or we make them available for collection by the buyer. The place of performance for the buyer's payment commitment is Newton Abbot, Devon.
- (2) The place of jurisdiction for all mutual claims and commitments including draft and cheque claims is Newton Abbot, Devon for fully registered traders and buyers having no general domestic place of jurisdiction.
- (3) The legal relationships between the parties are subject to the laws of England. Use of the Uniform Law on the International Sale of Goods and the Uniform Law on the Conclusion of Contracts for the International Sale of Goods is excluded.

#### 10 Quality

- (1) All the general conditions of sale are in accordance with RW's AS 9100 Quality Management System.



JM Crouchen  
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Rockwood Composites Ltd