

GENERAL TERMS AND CONDITIONS OF SALE

1. SCOPE

- a. All deliveries of Goods by Poly-Nova Technologies Corporation (hereinafter called "Poly-Nova") shall be made exclusively on the basis of these General Terms and Conditions of Sale (hereinafter called "Terms"). These Terms shall form part of all agreements entered into between Poly-Nova and its contractual partners (hereinafter called "Purchaser") with regard to deliveries of Goods offered by Poly-Nova. In this context, Goods shall be:
 - i. Elastomeric, thermoplastic, metallic or other products or a combination of these (hereinafter called „Products“);
 - ii. Forming tooling inserts (hereinafter called "Tooling").
- b. Purchaser's Terms shall not apply unless Poly-Nova has explicitly agreed to their applicability in writing. Poly-Nova's Terms shall also apply if Poly-Nova unconditionally effects deliveries to the Purchaser even aware that the Purchaser's Terms conflict with or dissents from its own. Execution of a contract, however, shall not be classified as acceptance of dissenting Terms.
- c. These Terms for deliveries of Goods shall correspondingly also apply for Services provided by Poly-Nova.
- d. These Terms shall also apply to future deliveries or services offered to the Purchaser, even if not being referred to explicitly and if agreed upon in previous deliveries.
- e. The contractual relationship between Poly-Nova and the Purchaser is based on these Terms and possible other contracts. Changes, side-agreements, Conditions etc. shall only be binding if agreed in writing.

2. OFFERS AND CONCLUSION OF CONTRACT

- a. All offers made by Poly-Nova are subject to change without notice and non-binding.
- b. A contract shall enter into force only, by Poly-Nova providing a written order confirmation, shipping the Goods or providing the Service. Any special agreements, even Poly-Nova's sales representatives shall enter into force only by Poly-Nova's written confirmation.
- c. Any documents of quotation or project, drawings, samples etc. have to be treated as strictly confidential and may not be copied or made available to third parties without prior approval by Poly-Nova. They may be claimed back at any time and have to be remitted to Poly-Nova if the order is placed elsewhere.
- d. All information provided in folders, price lists, exhibitions, mailings, or other media, like websites etc. or other written or oral information on Poly-Nova's Goods and Services are non-binding, unless explicitly confirmed otherwise by Poly-Nova in writing.
- e. Cost estimates made by Poly-Nova may not be claimed for completeness or accuracy.
- f. Subsequent changes or amendments of contract must be in writing signed by Poly-Nova's authorized representative.
- g. In case of call-off orders, Poly-Nova is entitled to purchase the raw material and to manufacture the Products for the entire order, unless otherwise agreed in written

3. PRICES

- a. The prices apply for the scope of delivery or services specified in the offer. Any changes thereof will be charged separately.
- b. All prices are based on costs effective on the date of first quotation. In case of raw material price increases, tariff increases or similar until the delivery date, Poly-Nova shall be entitled to increase the price for the Goods accordingly
- c. Unless explicitly agreed otherwise, the prices shall be in USD FCA (Incoterms 2010) Poly-Nova's premises, exclusive of packaging, loading and VAT. Custom duties, taxes, charges, and similar levies shall be paid by Purchaser. If delivery is agreed, the extra costs – including any requested insurance fee – shall be invoiced separately. In no case, unloading or any further transport shall be included. Poly-Nova shall not take back any packaging, unless agreed otherwise in written.

4. DELIVERY

- a. Unless explicitly agreed otherwise in the order confirmation or contract, all delivery periods shall be non-binding and approximate.
- b. If the order is – for any reason – amended, the delivery period shall be extended accordingly.
- c. The delivery period shall commence with the latest of following dates:
- d. Order confirmation date;
- e. The date, the Purchaser has met all technically and commercially relevant preconditions;

- f. The date, Poly-Nova has received agreed down-payment or other security.
- g. If delivery is delayed due to force majeure, Poly-Nova shall have the right to extend the delivery period for a reasonable period of time. The same shall apply in case of strikes, lock-outs, political unrest and unforeseen circumstances such as interruptions of operations, which prevent Poly-Nova from meeting delivery.
- h. If delivery is delayed, the Purchaser shall not have the right to claim for damages, unless Poly-Nova has caused it by willful act or gross negligence.
- i. If the contract cannot be fulfilled by circumstances which are not Poly-Nova's fault, Poly-Nova is released from its obligation. In this case, the Purchaser shall not have any claim for damages.
- j. Partial and advanced delivery shall be admissible. In case of call-off orders this call-off shall be effective 6 months after date of order at the latest.
- k. If delivery is postponed at Purchaser's request after readiness for shipment has been reached, Poly-Nova shall be entitled to charge cost of storage in the amount of 1.5 percent of the invoiced amount per month or part thereof.

5. BEARING THE RISK AND PLACE OF FULFILLMENT

- a. The risk shall pass over to the Purchaser, when the goods are ready for delivery at Poly-Nova's facility, even if they are handed over to the carrier. Delivery, loading and unloading shall always be at Purchaser's cost and risk. This shall also apply in case of partial deliveries and if the transport is done or organized by Poly-Nova.
- b. Place of fulfillment shall always be Poly-Nova's location at 935 Southgate Drive, Guelph, Ontario, Canada even if delivery shall happen in a different place.

6. PAYMENT

- a. Unless agreed otherwise in written, payment shall be effected as follows:
- b. Tooling: 1/3 at Order. 1/3 at PPAP submission, 1/3 at PPAP Approval (PPAP not to exceed 8 weeks); all payments net plus applicable taxes.
- c. Products: 100% within 30 days from invoice date; net plus applicable taxes.
- d. Payments have to be effected in USD to Poly-Nova's account. All charges and expenses shall be covered by the Purchaser.
- e. Payment is effected on the date it is credited to Poly-Nova's account.
- f. The Purchaser shall not have the right of retention and set-off in case of warranty- and other claims.
- g. If the Purchaser does not effect payment within the agreed period, Poly-Nova shall be entitled to hold back deliveries, to invoice any accumulated claims and to demand immediate payment and default interest in the amount of 8% per annum above the base interest rate plus VAT, unless Poly-Nova can prove higher costs. All costs incurred in connection with the default, such as expenses for reminder, collection, storage costs and – if any – lawyer's fees. The contract shall only be canceled, if explicitly declared by Poly-Nova in writing.

7. RETENTION OF TITLE

- a. Poly-Nova reserves the ownership on all its delivered goods until complete payment including interests and costs has been effected, even if the Goods are sold, amended, processed or fixed to the Purchaser's property.
- b. The Purchaser shall assign to Poly-Nova – and Poly-Nova accepts this assignment – any and all further claims and rights arising from the resale of the Goods against the Purchaser or a third party, irrespective of whether the Goods to which title has been retained are re-sold without or after further processing or conversion. Until full payment for the Goods, the Purchaser has to apply a notation in his books or on the invoices and inform the debtors about this assignment. Poly-Nova shall be entitled to demand hand-over of all necessary documents necessary for enforcing the assigned claims.
- c. Until full payment for all of Poly-Nova's claims, the Purchaser shall not be entitled to assign the Goods or to burden them with any debts. In case of distraint, the Purchaser shall be obliged to inform of Poly-Nova's retention of title and to advise Poly-Nova without delay.
- d. Poly-Nova shall be entitled to demand immediate restitution of the delivered but not fully paid Goods, if the Purchaser does not fulfill his payment-obligations on time and fully, or if insolvency proceedings over the Purchaser's assets are opened or filed. The same shall apply in case of rejection of a respective application due to lack of funds, if the Purchaser suspends his payments or if he tries to achieve an extrajudicial compensation with its creditors. Any return shall only be deemed a rescission from the contract subject to our express confirmation. Poly-Nova reserves the right to claim damages from non-performance. The buyer shall bear all costs and expenses arising.

8. RETENTION OF GOODS

- a. Poly-Nova shall have the right to withhold the Goods until payment of all his open claims have been settled by the Purchaser.
- b. The same lien shall apply, even if the claims are not yet due, if insolvency proceedings against the Purchaser's assets have been opened or filed. The same shall apply in case of rejection of a respective application due to lack of funds, if the Purchaser suspends his payments, if he tries to achieve an extrajudicial compensation with his creditors or execution into the Purchaser's assets failed (even by third parties).

9. WARRANTY

- a. Poly-Nova shall be obliged – due payment provided – to remedy defects affecting the functionality existing at the delivery of the Goods, which are based on constructional, material or execution defects. Warranty claims derived from information provided in folders, price lists, exhibitions, mailings, or other media, like websites etc. shall not be accepted.
- b. The warranty period shall commence at the transfer of risk date and amounts to 6 months, unless agreed otherwise in writing, even if the Goods are fixed to a building or other premises.
- c. The Purchaser shall inspect the Goods immediately - maximum within 5 days – after receipt for defects and notify Poly-Nova in writing of the potential defects. Discovered or apparent defects claimed after this period shall not be accepted by Poly-Nova .
- d. The Purchaser shall always prove the existence of defectiveness at the time of delivery. In this respect, § 924 of the Austrian Civil Rights Act (ABGB – rule of assumption) shall not apply.
- e. If notified in this way, Poly-Nova shall be entitled at its own discretion:
 - i. To remedy the defect on-site;
 - ii. Have the Purchaser send the Goods for remedy at its own cost to Poly-Nova ;
 - iii. To substitute the defect Goods; or
 - iv. To grant a reasonable price reduction.
- f. Poly-Nova shall warrant for the adequate execution only, if the Goods are produced according to Purchaser's information, drawings, models or other specification.
- g. No warranty shall be accepted for claims resulting from improper use; in case of non-compliance with legal rules or Poly-Nova's manuals; improper assembly or commissioning by Purchaser or third party; natural wear and tear; incorrect transport, handling or storage; chemical or electrical effects; or in case of non- or inadequate maintenance or service.
- h. The warranty shall expire with immediate effect, if the Purchaser reworks or engages a third party to rework the Goods without Poly-Nova's prior written consent.

10. WITHDRAWAL FROM CONTRACT

- a. In case of delayed deliveries, the Purchaser shall be entitled to withdraw from the contract
 - i. after setting a new appropriate deadline in writing; and
 - ii. Poly-Nova not delivering the Goods within this deadline; and
 - iii. The delay is caused by Poly-Nova's willful act or gross negligence.
- b. The withdrawal shall be declared by registered letter.
- c. Notwithstanding its other rights, Poly-Nova shall be entitled to withdraw from the contract, if
 - i. The delivery of the Goods is delayed or impossible for reasons beyond Poly-Nova's control;
 - ii. Poly-Nova becomes aware of circumstances which may impair the Purchaser's creditworthiness and he – Poly-Nova's request – did not effect advance payment or provide a suitable security.
- d. In these cases, Poly-Nova shall be entitled to claim all damages and loss of profit caused by this withdrawal.
- e. In these cases, Poly-Nova shall also be entitled to withdraw from an open part of the delivery.
- f. If an application for opening of insolvency proceedings are filed over the Purchaser's assets, Poly-Nova shall be entitled to request fulfillment of the contract against provision of suitable security or rescind the contract with immediate effect.

11. LIABILITY

- a. Beyond the provisions of the Austrian Product Liability Act (PHG), Poly-Nova's liability shall be limited to cases of willful acts and gross negligence only. In case of gross negligence, Poly-Nova's liability shall be limited to the amount of USD 500.000.—For loss of profit, Poly-Nova shall be liable only in cases of willful acts.
- b. Poly-Nova's liability in cases of slight negligence, damages caused by breakdowns, loss of data, loss of interest, as well as third party claims is accepted. Liability for secondary damages and financial loss shall be limited to results of physical damage and personal injury. Even then, damages and costs resulting from callbacks shall not be reimbursed.
- c. The Purchaser shall always prove Poly-Nova's default, in this respect, the reversal of evidence according to § 1298 ABGB (ABGB - Allgemeines bürgerliches Gesetzbuch) shall be excepted.
- d. Assertion of damages for non-fulfillment in lieu of warranty claims is explicitly excluded.
- e. Poly-Nova's liability for damages shall be limited by the amount of agreed penalties.

12. INTELLECTUAL PROPERTY RIGHTS

- a. The Purchaser shall indemnify and defend Poly-Nova against claims, liabilities, damages etc. arising out of the actual or alleged infringement by the Goods of a third-party Intellectual Property Right, if the Goods are produced by Poly-Nova according to Purchaser's engineering- specification, drawings, models or other specification.
- b. Any software, drawings, sketches and other technical information as well as samples, folders, images and other intellectual property rights shall remain in Poly-Nova's property. The statutory legal provisions with regard to reproduction, imitation, competition etc. shall apply. Item 2.c. of these conditions shall also apply to Software and planning documents.

13. PRIVACY

- a. Poly-Nova shall be entitled to record, transfer, edit or delete the Purchaser's personal data within the scope of the cooperation.
- b. Both parties agree to absolute confidentiality in connection with the scope of the cooperation and shall not disclose any confidential information to third parties.

14. CONTRACT PENALTY

- a. Shall the Purchaser breach his duties resulting from item 2.c. 12.b. and 13.b. of these Terms, a penalty in the amount of USD 150,000.— shall be agreed. Any of Poly-Nova's damage resulting from Purchaser breaching these duties and exceeding this amount shall be compensated to its full extent.

15. FINAL PROVISIONS

- a. If any provision of the contract of these Terms is held invalid, void, unenforceable for any reason, all other provisions shall remain valid to the extent permissible under statutory provisions. Any invalid provision shall be substituted by a valid one, which comes close to the intended purpose.
- b. If these Terms do not provide for a regulation, the statutory provisions shall apply.

16. ARBITRATION AND APPLICABLE LAW

- a. All disputes or claims arising out of or in connection with this contract including disputes relating to its validity, breach, termination or nullity shall be finally settled under the Rules of Arbitration and Conciliation of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (Vienna Rules) by one arbitrator appointed in accordance with the said Rules. The language to be used in the arbitral proceedings shall be English.
- b. The contract shall be subject to substantive Austrian law. Applicability of the conflict of laws ("International Private Law") as well as the United Nations Convention on the International Sale of Goods shall be excluded.

Year Month Day Purchaser Name (Print) Purchaser Signature