

General Terms of Sale

1. Scope

The present Terms of Sale shall apply for all deliveries by Seller, to to the exclusion of all General Terms of Business / Terms of Purchase of our customers and subject to divergent written agreements.

This agreement shall be governed by German law and possibly INCOTERMS 2000, unless otherwise agreed in writing. Where they conflict with the provisions above or below, the INCOTERMS shall take priority.

Augsburg (Germany) shall be place of jurisdiction. German shall be the contractual language.

2. Calculation, payment, setting off, belated payment and acceptance

Calculation shall be based on the shipped weight and the price valid on the invoice date. Upon request by buyer, invoicing by fax shall be contractually agreed.

Unless agreed otherwise, payments shall be remitted per bank transfer form to the account No. 1634 658 019 with the ABN Amro Bank (branch code (BLZ): 502 304 00; SWIFT: ABNADEFFFR; IBAN DE30 5023 0400 1634 6580 19). A flat-rate additional charge equal to 15% of the net invoice sum may be charged if acceptance is delayed.

Buyer shall only be entitled to set off or withhold payment against Seller's accounts if the counterclaim is undisputed or has been unappealably established.

If Buyer defaults on payments or if there is justified reason to doubt Buyer's solvency or creditworthiness, Seller shall be entitled to demand payment in advance for outstanding deliveries and to demand immediate settlement of all claims associated with the business relationship, other rights notwithstanding. Seller's obligation to produce or to deliver shall be suspended as long as Buyer defaults on a due payment.

Interest may be charged on defaulted payments at an interest rate of 5% above the marginal refinancing rate (german rate).

3. Contractual disturbances

Stoppages, non-compliance with delivery deadlines or failures by upstream suppliers, shortages of energy or raw materials, traffic and transport disruptions, insofar as such events are unforeseeable, and strikes, lockouts, official orders and Acts of God shall exempt the party concerned from its obligation to deliver or accept for the duration of the disturbance and in accordance with its magnitude. If delivery or acceptance is delayed by more than one month for this reason, each party shall be entitled to rescind the contractual agreement with regard to the quantity affected by the disturbance.

4. Quality, notice of defects, warranty periods

The goods shall reflect the state of the art, unless agreed otherwise in writing. Our Monofilamentproducts are not applicable for medical products according to German legislation (Medizinproduktegesetz).

Buyer shall verify that the delivered goods are of the contractually agreed nature and suitable for the intended purpose. Obvious defects shall be reported to Seller immediately; hidden defects shall be reported as soon as they are discovered, but not later than six months after passage of title. Defective goods may only be returned with Seller's explicit consent.

Warranty claims shall become statute-barred upon expiry of one year as from statutory commencement of the limitation period. The limitation period for warranty claims shall be suspended as long as Seller does not finally reject Buyer's claims in writing when notice of defects has been given in good time.

Settlement of claims that are accepted by Seller is limited to abatement of purchase price, subsequent fulfilment or indemnity, which is limited to the value of the delivery in question.

5. Trademarks

Trademarks may only be used with the specific written consent of the trademark holder in conjunction with the products manufactured by Buyer.

6. Reservation of title

Seller shall retain title to the delivered goods by way of security for all claims accruing to Seller from the business relationship with Buyer. Seller's title shall also extend to new products created as a result of processing the reserved goods. The goods shall be processed on behalf of Seller as manufacturer. If the goods are processed, combined or mixed with items not belonging to Seller, Seller shall acquire part-ownership of the resultant products in accordance with the invoiced value of the reserved goods in relation to the invoiced value of the other materials.

Buyer herewith assigns to Seller all claims associated with resale of the reserved goods, including bills and cheques, as security of the respective claims pursuant to para. 1, above. In conjunction with the resale of goods to which Seller has acquired part-ownership, the assignment shall be limited to that part of the sum receivable which corresponds with Seller's part-ownership.

As long as Buyer is willing and able to discharge his obligations to Seller as agreed, he shall be entitled to dispose of the goods reserved or part-owned by Seller in the ordinary course of his business and to collect the claims assigned to Seller. Buyer shall only be permitted to undertake assignments by way of security, to pledge goods and to assign receivables, also through the sale of receivables, with Seller's prior written consent. Taking back reserved goods shall only constitute a rescission of contract if this is explicitly declared as such by Seller. If the value of the security exceeds the value of the claims by more than 10%, Seller shall release security at his discretion if requested by Buyer.

If the reservation of title is not permitted or only permitted to a limited extent by the statutory regulations in Buyer's country, Seller's aforementioned rights shall be limited to the extent permitted by law.

7. Technical documents

Technical documents provided by Buyer for manufacture of the article to be delivered shall not be used by Seller for purposes unrelated to the contractual agreement, nor shall they be duplicated or made available to third parties.

8. Packaging

Packaging which has been provided on loan, including yarn carriers, shall be returned to the supplying plant in good condition and free of charge within one year of the invoice date (unless agreed otherwise in writing). If this is not done, Seller shall be entitled to charge Buyer the cost of purchasing replacements.

Other packaging and aids may only be reused in ordinary business operations after obliterating Seller's company logo and name, trademarks and other designations.

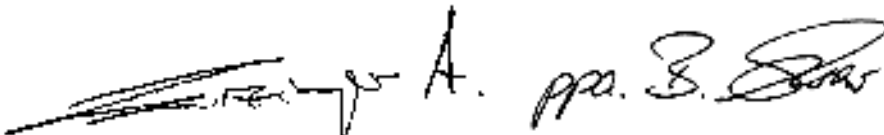
9. Severability

Should any provision hereof be ineffective, this shall not affect the validity of the remaining provisions.

Edition: August 2008, TEIJIN MONOFILAMENT GERMANY GmbH

President
A. Kirzinger

Director Sales & Marketing
B. Fischer

The image shows two handwritten signatures in black ink. The signature on the left is for A. Kirzinger, and the signature on the right is for B. Fischer. The signatures are written in a cursive, somewhat stylized script.