

CONDITIONS OF SALE AND PAYMENT FOR RAW PRODUCTS AND SEMI-FINISHED PRODUCTS

I Conditions of Sale

1. The basis of all our offers, contracts, deliveries and other services in connection with sales and deliveries of movable property to be manufactured or produced are our following terms and conditions of business to the exclusion of differing conditions of the contracting party (hereinafter: Buyer).

Our terms and conditions of business in the version last made known to the Buyer also apply to any and all follow-up business.

Deviations from our terms and conditions of business - including this clause - will be effective only if they are agreed or confirmed by our legal representatives, general agents or Prokuristen [persons vested with general commercial power of representation] - in the case of collective representation by the required number of authorized representatives.

Written statements within the meaning of our terms and conditions of business will also be statements by E-Mail or facsimile. For purposes of calculating the final date, the rules of interpretation under Sections 187 to 193 of the BGB [German Civil Code] will apply. Saturday is not deemed to be a working day.

2. Our **offers** are not binding. Orders will be considered accepted only if they have been acknowledged by us in writing or if delivery has been effected. We make a reservation as to ourselves obtaining supplies correctly and in due time. Offers submitted to us will bind the Buyer for two weeks from receipt.
3. Unless expressly termed "binding", **dates of delivery** are deemed approximate dates only. If they are exceeded by more than one week, the Buyer may fix a reasonable final deadline.
4. In case of **force majeure** and other unforeseeable circumstances for which we are not responsible - e.g. strike, breakdowns, disruptions of the energy supply and supply with raw materials and supplies, transport holdups, administrative measures - (even binding) periods of delivery will be reasonably extended if we shall be prevented from discharging our obligations in time. If in such a case delivery becomes impossible or unreasonable, we shall be released from the duty to deliver. As far as the delay in delivery exceeds four weeks, the Buyer shall be entitled to withdraw from the contract. If the period of delivery is extended or we are released from the duty to deliver, the Buyer may not derive any claims for damages from those circumstances. We may rely on the circumstances mentioned only if we have informed the Buyer without delay.
5. We shall be entitled to effect **partial deliveries**. Partial performance shall not entitle the Buyer to withdrawal or damages with respect to the whole contract unless the Buyer ceases to be interested in partial performance. In case of several current contracts concerning the same products, we shall be entitled to determine the order in which they will be performed.

6. The **price** is net excluding value-added tax. Added to that amount will be the statutory value-added tax applicable on the date of invoicing. Unless a different arrangement has been made, prices are inclusive of customary packing ex our warehouse.
7. The **place of performance** for all deliveries is our warehouse (should the occasion arise, our forwarding agent's warehouse). If the goods are dispatched to a different place, the price risk shall pass to the Buyer as soon as the consignment has been delivered to the person handling shipment. If the goods are ready for shipment and shipment is delayed for reasons beyond our control, then the risk shall pass to the Buyer upon receipt of the notice of readiness for shipment.
8. **Returnable containers** (e.g. packages) and pallets will be made available to the Buyer free of charge; they shall remain our property and shall immediately be returned carriage paid to the station to be designated by us. After four weeks following arrival of the goods at the Buyer, we shall be entitled at our option to refuse to take back the returnable containers / pallets and demand damages instead of performance or to charge a reasonable rent in line with market conditions for each fraction of a month. The sum total of rental payments shall be limited to the amount of the claim for damages.
9. The **weights** determined at the warehouse of departure shall be relevant. The receipt made out by the Buyer, its vicarious agents or the person handling transport shall be sufficient proof of the condition, number and weight of the goods received.
10. Unless otherwise expressly agreed and laid down in writing, the Buyer shall be obliged to take delivery of the goods in the quality in which they become available (tel quel).
11.
 - (a) Only a minor decrease in value or suitability of the thing will not constitute a defect.
 - (b) The Buyer may not rely on public statements made by us or our servants if and to the extent that the Buyer cannot prove that the statements influenced its purchase decision or if and to the extent the statement had already been corrected at the time the purchase decision was taken.
 - (c) Notice of **defects** of any kind shall be given by the Buyer in writing and without delay, however, in such a way at the latest that the notice of defects is received by us ten working days after delivery of the goods. Later notices of defects will be taken into account only if despite careful examination the defect was incapable of being detected within that period. Apparent damage and weight differences shall be proved by the Buyer by means of a certificate issued by the carrier (forwarding agent, railway agent, etc.). In case of a justified, timely and duly given notice of defects, we shall to the exclusion of all other claims of the Buyer initially be entitled to remedy the defect or to deliver a thing free from defects (subsequent performance). If subsequent performance fails, is rejected by us or is not acceptable to the Buyer, the Buyer may at its option demand reduction of the purchase price or may withdraw from the contract. Our liability for damages shall be governed by clause 12 of these Conditions of Sale and Payment.
 - (d) All claims based on a defect shall become statute-barred within one year from delivery of the thing. Liability for gross negligence as well as liability under the

Product Liability Act and for injury to life, limb and health shall remain unaffected.

- (e) The rights of the Buyer under Sections 478 und 479 of the BGB shall remain unaffected.
 - (f) The Buyer shall inform us about incoming notices of defects without delay in writing, but not later than within ten working days after their receipt in order to preserve its rights under Sections 478 and 479 of the BGB.
- 12.
- (a) Claims for damages by the Buyer, for whatever legal reason, shall be excluded unless they are based on (1) intent or gross negligence, (2) culpable violation of material contractual obligations (contractual obligations the violation of which put the achievement of the purpose of the contract at risk or the fulfillment of which only will enable the proper performance of the contract in the first place and compliance with which the contractual party may regularly rely on), and (3) acceptance of a guarantee of quality for the thing.
 - (b) As far as we shall be liable under lit. a (1) or lit. a (2) for breaches of contract or culpa in contrahendo and any tortious acts simultaneously connected therewith, our liability shall be limited to the damage foreseeable at the time of conclusion of the contract; this shall not apply in the event of intent or gross negligence of legal representatives or executive employees.
 - (c) As far as we breach a material contractual obligation (lit. a (2) due to ordinary negligence, our liability to pay damages shall be limited to the total policy value under our product liability insurance.
 - (d) The acceptance of a guarantee shall presuppose an appropriate express agreement. Exact descriptions of the object of sale and its purpose of use alone shall not constitute a guarantee. Liability resulting from the acceptance of a guarantee (lit. a (3)) shall extend to include only such damage as the guarantee is designed to protect the Buyer from.
 - (e) Liability under the Product Liability Act or for damage caused by injury to life, limb and health shall not be affected by the foregoing provisions.
- 13.
- (a) We reserve title to the goods delivered until payment in full of all - also future - accounts receivable to which we shall be entitled under the business relation with the Buyer. The delivery of cheques, bills of exchange or other documents merely giving rise to an obligation to pay shall not constitute payment within the meaning of the preceding sentence. The Buyer shall store the **goods subject to reservation** for us free of charge exercising the diligence of a prudent businessman; their pledging or the transfer of ownership in them by way of security shall be inadmissible.
 - (b) The Buyer shall be entitled to sell the goods subject to reservation in the ordinary course of business as long as the Buyer duly meets its contractual obligations and in particular complies with the following conditions. The Buyer shall assign to us for security already hereunder as regards the goods subject to reservation the accounts receivable accruing from a resale or other legal reason (e.g.

insurance, tortious act) in the amount of the final invoice total (including value-added tax), namely regardless of whether the object of sale has been resold without or following processing. We authorize the Buyer until further notice to assert the claims assigned to us and to collect itself in its name for our account the accounts receivable assigned to us. Amounts collected shall forthwith be used to pay the debts due and payable to us. Our entitlement to collect an account receivable ourselves shall not be affected. The authority to collect shall become extinct even without revocation if the Buyer stops payments or a petition for insolvency proceedings is filed.

- (c) The processing or transformation by the Buyer of the object of sale shall always be effected on our behalf. If the object of sale is processed together with other items not belonging to us, then we shall acquire co-ownership of the new thing in proportion to the value of the object of sale to the other items processed at the time of processing. Besides, the thing created by processing shall be governed by the same provisions as the object of sale delivered subject to reservation.
- (d) If the object of sale becomes inseparably mingled with other items not belonging to us, we shall acquire co-ownership of the new thing in proportion to the value of the object of sale to the other mingled items at the time of mingling. If mingling is effected in such a way that the Buyer's thing is to be regarded as the principal thing, then it shall be deemed agreed that the Buyer shall transfer co-ownership to us on a pro-rata basis. The Buyer shall store for us the sole property or jointly held property so created.
- (e) We undertake to release the security we shall be entitled to at the Buyer's request to the extent that the value of our security exceeds the claims in respect of which security is to be provided by more than 10%; we shall be free to choose which security to release.
- (f) The Buyer undertakes to inform us immediately if third parties seize the goods subject to reservation or attach assigned accounts receivable; costs and damages shall be for the Buyer's account. The Buyer undertakes further to inform us without delay if its financial situation may jeopardize the proper discharge of existing or future obligations. Any further assignment without our consent of the accounts receivable assigned to us shall be excluded unless it is a matter of assignment by way of non-recourse factoring, which is indicated to us.
- (g) Contract breaching conduct of the Buyer - particularly failure to meet a payment obligation despite a reminder - shall entitle us to immediately revoke the authority to collect and to take back the goods subject to reservation. The debtors of assigned accounts receivable and all particulars and records necessary for collection shall be made known or surrendered to us without delay. The exercise of rights under the reservation of title as well as any attachment shall not constitute withdrawal from the contract; the Buyer undertakes to give us access to the goods subject to reservation on demand without delay.

II Conditions of Payment

1. The **place of performance** for all payments shall be Taunusstein.

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2. The **date of invoice** will be the date of shipment. There will be no postdating or stating of the value date.
3. Unless otherwise agreed in the order, the following **Conditions of Payment** shall apply: payment shall be effected without deduction immediately after receipt of invoice. Payments will be applied to the most senior account receivable in each case even contrary to any different direction by the Buyer.
4. If the Buyer **defaults** on payment, we shall be entitled to claim interest at the rate of 8 per cent above the base rate. All other rights are reserved. The costs incurred - also the expenses of a reminder - shall be for the Buyer's account.
5. If the Buyer culpably fails to discharge its **payment obligations** in time, particularly without any important reason fails to honour a cheque or bill of exchange or stops payments, or if other circumstances become known which call the Buyer's creditworthiness into question, all payment obligations resulting from the entire business relation shall become due immediately; this shall also apply if we have accepted cheques or bills of exchange. In addition, we may withdraw from delivery transactions not yet carried out or may refuse to fulfil duties to deliver entered into until such time as the debts due have been settled and regarding the outstanding deliveries, at our option, advance payment has been effected or security furnished.
6. **Payments** shall be effected exclusively to us direct. As far as payments are effected to persons acting in our name, such payments shall have a discharging effect only if such persons produce a written power of attorney executed by us or a receipt made out by us.
7. The Buyer may claim set-off, retention or reduction in respect of those of our claims, which do not entail reciprocity of performance and counter-performance, only if the counter-claims have become res judicata or are undisputed. The same shall apply to defences based on warranty for defects under Section 438 (4) sentence 2, (5) of the BGB.

III General Provisions

1. For the purpose of handling orders and sales statistics, the Buyer's data will be subject to data processing.
2. These terms and conditions of business and all legal relations between us and the Buyer shall be governed exclusively by the **law of the Federal Republic of Germany** applicable as between national residents. The United Nations Convention on International Sale of Goods (CISG) is expressly excluded.
3. As far as the Buyer is a merchant within the meaning of the Commercial Code, Bielefeld shall be the exclusive **venue** for all disputes directly or indirectly resulting from the contractual relationship, also beyond the formation and the validity of a contractual relationship.
4. Should any provision of these conditions or parts of any provisions be ineffective for any reason, the remaining provisions shall continue to apply. The ineffective provisions or any part thereof shall be replaced by a provision which comes as close as possible to the desired result from a legal and an economic point of view.

Position: May 2014