

General Terms and Conditions of Sale and Delivery (February 2013)

1. General:

1.1

These General Terms and Conditions of Sale and Delivery shall be part of every contract concluded between us and our customer, unless the customer is a consumer as defined by Section 13 *BGB* [German Civil Code].

These shall, without the application of these General Terms and Conditions of Sale and Delivery having to be expressly pointed out again, also apply to all future purchase orders.

The application of terms and conditions contrary hereto is hereby expressly objected to. Such terms and conditions, as well as any other deviating agreements and additional agreements shall apply only if expressly consented to in writing. This shall also apply to any amendment of this written form clause.

2. Offers, Purchase Orders:

2.1

In principle, offers shall be subject to change without notice and be non-binding.

2.1

Purchase orders, whether placed with us or our agents in writing, electronically or verbally, shall be binding upon us only with our written acknowledgement. If delivery is carried out immediately without acknowledgement of the order, the invoice shall also be deemed to be our acknowledgement of the order.

2.2

In any event, amendments shall be effective only if acknowledged in writing (including telefax or email).

2.3

If a purchase order is sent electronically, the provision in Section 312 e (1), sentence 1, nos. 1 to 3 *BGB* (Duties in electronic transactions) shall be excluded. We shall be under no obligation to acknowledge receipt of a purchase order electronically.

2.4

In the case of relatively large order quantities, it shall, insofar as this is requested by the customer and expressly agreed upon in writing, be possible that the goods be held in stock from an agreed point in time onwards and that subquantities be delivered from this stock on request at short notice and be invoiced.

In the event that the delivery of such subquantities is not requested in due time, we may, even in the absence of a separate request for delivery, ship and invoice the contractual quantities that are still in stock and have not been requested. The customer shall be informed thereof as early as possible.

3. Payment Terms, Default, Provision of Collateral:

3.1

Unless otherwise agreed upon, invoiced amounts shall be due within 30 days of the invoice date, without any deduction, and be payable in euros into one of the bank accounts specified on the invoice.

The date of receipt of payment (availability date) on the bank account shall be decisive for the timeliness of payment. Any incidental expenses shall be borne by the customer. In particular, this shall also apply to expenses arising in connection with any international bank transfer in the case of export transactions.

3.2

General Terms and Conditions of Sale and Delivery (February 2013)

In the event of default in payment, the claim shall be subject to interest at 8 percentage points above the respective base interest rate (Sections 288 (2) and 247 *BGB*). The right to assert any further damage claim, particularly any claim for a higher interest rate or for currency exchange losses etc., shall remain reserved. The customer shall remain free to prove that no loss, or a lower loss, has been incurred upon us.

3.3

The acceptance of purchase orders or the execution of deliveries may be made dependent upon the provision of collateral or the making of an advance payment.

3.4

If the customer's net worth position materially deteriorates after the contract has been concluded (particularly if an insolvency application has been filed, insolvency proceedings have been instituted, insolvency proceedings have been rejected owing to a lack of assets, an application for the execution of an affirmation in lieu of an oath has been filed, an arrest order has been issued, etc.), we may, at our option, demand that advance payment be made, or collateral be provided, within a reasonable period. We shall be entitled to withhold our service until advance payment has been made or collateral has been provided. If such set time limit expires without advance payment having been made or collateral having been provided, we shall be entitled to rescind the contract.

The customer's net worth position shall be assumed to have materially deteriorated, if the customer has defaulted on two payments or on one payment of a considerable amount.

3.5

Set-off shall be permissible only with counter-claims that are undisputed or have been determined by a final and non-appealable court judgement. A right of retention may be asserted only if and insofar as it is based on the same contractual relationship.

3.6

We shall be under no obligation to accept bills of exchange or cheques. Acceptance of bills of exchange or cheques shall always be subject to their clearance. Discounting and bill of exchange charges shall be borne by the customer, and shall be due immediately. No warranty for correct presentation or protestation shall be provided in cases where bills of exchange are accepted.

3.7

If the customer has assigned its claims against us to a third party without our consent, we may then perform to the customer with debt-discharging effect even despite our knowing of this assignment (Section 354a *HGB* [German Commercial Code]).

4. Delivery and Shipment:

4.1

Delivery dates or periods shall always be specified in writing. These shall be binding only upon their express written confirmation.

Transactions where time is of the essence must be expressly designated as such, and shall be subject to our express written confirmation.

4.2

If manufacture, procurement or delivery is hindered or delayed as a result of events of force majeure or other unforeseeable, extraordinary circumstances through no fault of our own, e.g. natural disasters, shortage of raw material, operational disruptions or industrial action (strike or lockout) at our factory, at our suppliers or at carriers, the delivery period shall be extended to an appropriate extent.

We shall be released from our obligation to deliver, if, as a result of the aforementioned circumstances, it becomes impossible for us to deliver or perform or unreasonable to expect us to deliver or perform.

General Terms and Conditions of Sale and Delivery (February 2013)

If delivery and/or acceptance is delayed by more than eight weeks as a result of the aforementioned circumstances, both parties shall be entitled to rescind the contract.

If our sources of procurement partly or wholly cease to exist, we shall be under no obligation to obtain supplies from external suppliers. In such case, we shall be entitled to distribute the available quantities of goods after having taken into account our own requirements, insofar as this is not unreasonable for the customer.

4.3

Unless otherwise expressly agreed upon, loading and shipment shall take place ex works or ex supply depot, on an uninsured basis and at the consignee's risk. Goods not taken receipt of shall be stored at the customer's expense and risk.

4.4

The weight or volume determined by us at the time of shipment shall be binding for the invoicing of the goods. Any loss of weight or volume incurred during the carriage of the goods shall fall to the customer's account.

5. Prices:

5.1

Prices shall not include value added tax. Value added tax shall be charged separately at the rate of value added tax valid at the respective time.

5.2

If the period between the conclusion of the contract and delivery is longer than 4 months, we may demand the same contract price that, at the time of delivery, we charge to our other customers. This shall not apply, if we are at fault for such period being exceeded between the conclusion of the contract and delivery.

5.3

Delivery prices shall, unless otherwise agreed upon, be net/kg; delivery shall take place on the basis of Incoterms 2010.

If deliveries in containers other than those specified in the offer are requested, the price shall be increased by the special container surcharge valid at the time of invoicing.

5.4

We reserve the right to alter our prices to a reasonable extent, if and insofar as cost increases that are due to changes in the basis of our costing (e.g. collective bargaining agreements, increases in the price of materials, etc.) and are beyond our control occur after the contract has been concluded.

6. Retention of Title:

6.1

We shall, insofar as this is permissible under the laws prevailing in the area where the goods purchased are located, retain title to the delivered goods until all payments arising from the business relationship have been received, all ancillary claims and damage claims in this respect have been satisfied and all cheques and bills of exchange in this respect have been cashed.

6.2

If the retention of title hereby expressly agreed upon is not recognised by the laws of the country where the respective delivery item is located or to which the respective delivery item is taken before it has been fully paid for, or if it is recognised by the laws of that country only on condition that certain prerequisites be met (e.g. registration in official or court registers, written form of the agreement, etc.), the customer shall point this out to us no later than at the time when the contract is concluded.

General Terms and Conditions of Sale and Delivery (February 2013)

In case the laws of that country do not permit such retention of title, or extended retention of title, but do permit us to reserve other rights that serve as collateral in a way similar to retention of title, we hereby declare that we shall make use of these rights.

The customer hereby undertakes to co-operate with the fulfilment of any and all requirements in this connection (particularly requirements of form, etc.).

6.3

Any reworking or processing of the goods that are under retention of title shall take place free of charge, on our behalf and in such a manner that we are to be regarded as the manufacturer as defined by Section 950 *BGB*; i.e. we shall retain title to the products at all times and at all levels of processing. This shall not entail any obligation of any kind whatsoever on our part.

If the customer processes (combines or mixes) the goods under retention of title with other goods not belonging to us, the provisions in Sections 947 and 948 *BGB* shall apply, the consequence being that we shall acquire co-title to the new item in the ratio of the invoiced values of the goods under retention of title to the overall value. In respect of such new item, we shall be entitled to the purchase price claim on a pro-rata basis commensurate with the value of our rights in the goods.

In the event that the goods under retention of title are mixed with third-party items, the same shall apply *mutatis mutandis* in respect of the customer's claim to remuneration.

6.4

The customer shall be authorised to resell in the ordinary course of its business the goods delivered by us. In case thereof, the claims accruing to the customer are hereby assigned to us as collateral in the sum of the invoiced amount, including any ancillary rights and collateral rights. We hereby accept this assignment. The customer shall, on request, give us the names of the customers to whom it has resold the goods.

The authorisation to resell in the ordinary course of business may be revoked by us in the event that the customer's net worth position has persistently deteriorated (cf. subsection 3.4 above). This authorisation shall discontinue when such revocation is received.

6.5

The customer shall hold in safekeeping for us the goods under retention of title, and shall insure these against fire, theft and water damage. The customer hereby assigns to us, in the sum of our claims, the compensation claims that it is entitled to on the basis of damage claims of the aforementioned type against insurance companies or other parties liable for damages. We hereby accept this assignment. We shall be entitled to disclose this assignment and collect the claim directly, if the customer fails to meet its obligations arising from the contracts concluded with us or defaults on performance.

6.6

If the customer sells the claim in the course of genuine factoring, the claim shall fall due immediately, and the customer shall assign to us the claim against the factor that takes the place of the claim sold to the factor, and the customer shall promptly pass on to us its sales proceeds. We hereby accept this assignment.

6.7

The customer shall be authorised to collect the claims assigned as long as it properly meets its payment obligations. This authorisation to collect payment shall lapse upon its revocation, but no later than at such time as the customer defaults on payment, or its net worth situation materially deteriorates. In such case, we shall be entitled to give the buyers notification of this assignment and collect the claims ourselves. The customer shall, on request, hand over to us a precise list of the claims to which the customer is entitled, along with the name and address of the buyers, the sum of the individual claims, the invoice date etc., shall provide us with all information necessary for asserting the claims assigned and shall permit us to check this information.

General Terms and Conditions of Sale and Delivery (February 2013)

6.8

Insofar as the value of our collateral exceeds our outstanding claims by more than 10 %, we shall release collateral on request. The collateral to be released shall be chosen at our reasonable discretion.

Any repossession of the goods delivered under retention of title shall not be deemed to be rescission of the contract, unless this is expressly declared.

6.9

Only with our express written consent shall the customer be entitled to pledge, assign as collateral or similarly dispose of the goods that are under retention of title. In the event of any attachments or other measures by third parties, the customer shall promptly notify us and, if need be, take suitable immediate measures.

7. Warranty, Notification of Defects, Liability:

7.1

Unless otherwise provided for below, the warranty for defective products shall be governed by the statutory provisions. Loss resulting from improper handling, storage or installation or any other external effects shall be excluded from the warranty.

7.2

Insofar as this can be reasonably expected, the customer shall, by means of trial processing promptly after delivery, examine the goods delivered in terms of their quantity and qualities and give us prompt written notification of any defects; otherwise the goods shall be deemed approved. Defects not visible during this examination shall be reported to us promptly after their discovery. The customer shall bear the burden of proving that such defect was not visible.

Complaints shall be lodged in writing, giving the order details and the invoice and shipment number.

The retention samples of the batch concerned shall be decisive for the goods delivered.

Any application-related advice given verbally, in writing or by way of trials shall be provided on the basis of our best knowledge, but shall, also in respect of any third-party property rights, be deemed to be merely non-binding information. Such advice shall not release the customer from its obligation to examine the goods in terms of their suitability for the procedures and purposes intended. Any further application, use or processing of the goods shall be beyond our control, and shall therefore be entirely the customer's responsibility.

7.3

If a justified notification of defects is lodged in due time, we shall, at our option, rectify the defect concerned or replace the goods with faultless goods (supplementary performance) free of charge. In the case of supplier recourse (Sections 478 and 479 *BGB*), the right to choose shall fall to the customer. Our consent shall be obtained prior to returning the goods. Replaced goods shall become our property.

If we fail to adhere to a reasonable grace period that we have been set for rectification or replacement, the customer shall, in accordance with the statutory provisions, be entitled to rescission of the contract, reduction of the remuneration (reduction of the contract price), reimbursement of its expenses and, within the limits specified below, damages.

The same shall apply in the event that supplementary performance fails twice or is refused, or if it would be unreasonable to expect us to render supplementary performance.

In the case of any merely insignificant defect, there shall be no claim to rescission or to reduction of the contract price.

General Terms and Conditions of Sale and Delivery (February 2013)

Claims of the customer based on expenditure necessary for the purpose of supplementary performance, particularly transportation costs, transport infrastructure charges, labour costs and costs of material, shall be excluded insofar as this expenditure has increased as a result of the delivery item having been subsequently taken to a place other than the customer's place of establishment, unless this has occurred in keeping with the intended use of the delivery item.

7.4

The assertion of damage claims, including those of an extra-contractual kind, is hereby excluded, unless we, our managerial employees and/or our authorised agents are at fault due to wrongful intent or gross negligence. This shall not apply, if the breach concerned relates to a duty that is of material significance for the attainment of the purpose of the contract.

Liability shall be limited to typical, foreseeable loss, unless such loss was caused by us or our managerial employees with wrongful intent or gross negligence.

The above limitations shall not apply to loss arising from mortal injury, physical harm or health damage. Mandatory statutory provisions on liability, such as liability under the *Produkthaftungsgesetz* [Product Liability Act] or in connection with the provision of a guarantee, shall remain unaffected.

7.5

The customer shall not be entitled to recourse claims against us on the basis of the delivery having been passed on to third parties, if the customer has made with such third party agreements (particularly contractual penalty agreements, guarantee undertakings, etc.) that go beyond the defect-related claims mandatory by law. This shall not apply if and insofar as we have given our express, written consent to such agreements that go beyond the defect-related claims mandatory by law.

7.6

If a third party asserts a damage claim against us in respect of the delivery, the customer shall indemnify us, our statutory representatives, our employees and our authorised agents fully (including reasonable costs of any legal action or defence, expenses, charges, taxes etc., as well as any reasonable advances), provided that the causes of such claim lie within the customer's sphere of control and organisation in the internal relationship.

The same obligation to indemnify shall apply to loss incurred - in any manner whatsoever - upon third parties as a result of failures within our sphere of control or organisation in respect of the delivery, except where our liability is based on culpable mortal injury, physical harm or health damage, wrongful intent or gross negligence or breach of material contractual duties.

Insofar as third-party damage claims based - in whatever manner - on a breach of a material contractual duty as a result of only slight negligence exceed the foreseeable loss, the customer shall bear the above obligation to indemnify in respect of the amount exceeding the foreseeable loss.

7.7

All warranty claims shall become statute-barred one year after the goods have been delivered. Mandatory statutory provisions on limitation and liability shall remain unaffected.

8. Documents and Maintenance of Secrecy:

8.1

Samples, specimens, prospectuses, drawings, cost estimates and other documents that are made available to the customer in the course of the initiation of the contract and have not been separately paid for by the customer shall be returned (along with all copies) on request. We shall retain all rights of title, copyrights and other industrial property rights in respect of such items and documents. Without our written consent these shall not be used for other purposes; in particular, they shall not be copied or be made accessible to third parties.

General Terms and Conditions of Sale and Delivery (February 2013)

It is hereby agreed that a bailment relationship shall exist insofar as these items and documents remain in the customer's possession (Section 868 *BGB*). There shall be no right to retain such items or documents.

8.2

Transportation devices, containers or packings provided by us shall be used only for transporting and storing the goods delivered by us in such devices, containers or packings.

Any leftovers of goods shall not be paid for. Emptying, cleaning and disposal costs shall be borne by the customer.

9. Place of Performance, Place of Jurisdiction and Applicable Law:

9.1

Lahr/Germany shall be the place of performance for the delivery.

9.2

Lahr shall, insofar as permissible by law, be the place of jurisdiction for all disputes ensuing from the contract. Notwithstanding the foregoing, we shall be entitled to bring an action before the court at the place where the customer's registered office is situated.

9.3

The contractual relationship as a whole shall be governed solely by the laws of the Federal Republic of Germany, excluding international private law and the UN Convention on the International Sale of Goods. Unless otherwise provided for in these terms and conditions, the respective latest version of the Incoterms issued by the International Chamber of Commerce shall apply.

10. Maintenance of Secrecy:

The parties to the contract hereby undertake to keep secret for an unlimited period all information that becomes accessible to them in connection with this contract and is designated confidential or that is, in view of other circumstances, evidently a trade or industrial secret, and shall, unless this is necessary for attaining the purpose of the contract, not record such information or exploit such information in any way

11. Severability Clause:

If any of the above clauses are or become ineffective, this shall not affect the effectiveness of any of the other provisions or agreements.