

## General Terms and Conditions of Sale of KAHL GMBH & CO. KG.

### Section 1: General Provisions

1. These General Terms and Conditions are valid solely towards entrepreneurs. The contractual partner (hereinafter: "Purchaser") confirms with his order, that he is entrepreneur and does not purchase the goods for private use. An entrepreneur is a natural or a legal person or an association with legal capacity that, at the time a legal transaction is concluded, exercises its commercial or independent professional activity. These General Terms and Conditions apply for the sale of goods and services.
2. The entire business relationship, including future relationship, between us and the Purchaser shall be governed solely by these General Terms and Conditions. The General Terms and Conditions of the Purchaser shall only apply if we confirm their validity explicitly in writing.
3. The Goods sold and delivered by us and any derivatives thereof shall not be exported, re-exported or otherwise resold nationally or internationally or transferred to a natural or legal person or destination subject to a United Nations, EU or OSCE embargo if this would violate the provisions of such embargo. This accounts to EU sanctions lists (EU Consolidated Financial Sanctions List) as well as in particular for the EU-Russia-Embargo 833/2014 in its current version, under which it is prohibited to directly or indirectly sell, transfer, export, render technical services in connection with or intermediate goods listed on the Embargo-control lists (e.g. Annexes XVIII, XXIII) to any Russian Entity or for use in Russia. The circumvention clause (Art. 12 EU-Russia-Embargo-Regulation 833/2014 in its current version) is acknowledged and adhered to.

The Parties confirm that the Goods and any derivatives thereof (including, in the case of technology, Goods derived from the Goods) will not be used, in whole or in part, in connection with the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of chemical, biological, radiological or nuclear weapons.

In case of non-compliance with the above condition, i. e. if you or your representatives re-export the goods to Russia or via another country for use in Russia without compliance with EU export control law, you will indemnify us against any fines or penalties by way of recourse and release us from its duties and obligations in breach of the agreement.

4. We may modify these General Terms and Conditions with effect for the entire future business relationship after having informed the Purchaser in writing. The modification will be considered approved, if the Purchaser does not send his appeal against the modification in written form within six weeks after the announcement of the modification. We will inform the Purchaser about this consequence particularly, when announcing the modification.

### Section 2: Conclusion of the contract

1. Our offers are non-binding before conclusion of the contract.
2. The Purchaser indicates that he wants to buy the goods by placing a binding order (e.g. by email, tel-

ephone, telefax, letter). If we do not provide a written confirmation, the invoice or the delivery of the goods shall be deemed to be an order confirmation.

3. Verbal agreements, excluding a modification in terms of Section 1 Point 3, are only effective when we confirm them in writing. This also applies to contract changes and for deviations from the contractual written form requirement.

### Section 3: Prices

1. Prices are ex works, excluding packing plus the sales tax that is applicable in the individual case. Only the price stated in the order confirmation is binding.
2. Additionally we will charge the Purchaser the cost price of the packing.

### Section 4: Payment Terms

1. The purchasing price is always due net in cash, without any deductions and immediately after the receipt of the invoice, unless other payment conditions have been agreed upon in writing. Payments are to be paid free of transaction charges to our account. The receipt on our bank account is decisive for the fulfillment, timeliness of payment and the accrual of any agreed discounts.
2. Bills of exchange or cheques are only accepted by special agreement and only at the discretion of the receiver.
3. The purchaser is delayed, when not paying after receiving our demand notice, which will be send after the claim of payment is due. Regardless of that, the Purchaser is delayed when not performing until a certain calendar date or a time of payment, stated in the contract. Regardless of a demand notice the Purchaser is delayed latest 30 days after maturity and receiving an invoice or an equal receivables list.
4. When the Purchaser is delayed, we may request the Purchaser, reserving further claims, to pay interest on the amount outstanding of an amount of 10 percentage points over the German basic rate of interest, however at least 25.00€ per month commenced, as well as 5€ for every demand notice. The Purchaser may proof that our actual costs for every demand notice were lower than 5€. If the Purchaser is a merchant and the payment is due, interests of 8 percentage points over the German basic rate of interests has to be paid.
5. Even if a term of payment has been agreed upon, we are entitled to demand immediate payment of all remaining debts and/or make deliveries dependent on advance payments, if there has been a significant deterioration in the income or financial circumstances of the Purchaser or if such a deterioration is expected for the future due to objective circumstances.
6. An offset of the Purchaser with any counterclaim is impossible, unless the Purchaser's claim is undisputed or has been established as legally effective. This applies as well for exercising rights of retention. As an additional condition, the right of retention is only valid, if the underlying claims are related directly to the contract which grants our claims. The provision in this Point also applies for claiming defects.

## Section 5: Retention of title

1. We retain ownership of the goods until all claims resulting from the business transaction, existing at the time of conclusion of the respective contract and future claims arising from the business relationship between us and the Purchaser have been settled.
2. The Purchaser is obliged to inform us in writing without delay when third parties take possession of the goods, for example in the event of attachment or when the goods are damaged or destroyed. The Purchaser must immediately inform us when the goods change hands or when his own place of residence changes.
3. If the Purchaser is delayed with any payments or breaches the contract, we may request the Purchaser to return the reserved goods. A declaration of rescission is not necessary. This also applies for the worsening of the Purchaser's financial situation. The request for returning the reserved goods and taking the reserved goods back does not mean the rescission of the contract.
4. Any handling or processing in accordance with Sec. 950 German Civil Code of the reserved goods is carried out free of charge for us. The Purchaser is obliged, to keep the goods created by the handling or processing free of charge.
5. In case the Purchaser acquires the reserved goods for the purpose of reselling he is entitled to sell the goods in the ordinary course of his business. In case the Purchaser acquires the reserved goods for the purpose of connecting with other goods or processing and the subsequent reselling he is entitled to sell the manufactured goods in the course of his ordinary business. In case the reserved goods are not destined for reselling respectively processing with subsequent reselling a reselling is not permitted without the prior written consent of us. A reselling is also prohibited if the payment claim resulting from the reselling is captured by former acts of disposal by the Purchaser in favour of third parties, e.g. by way of global assignment.
6. When the reserved goods are combined or mixed with goods that do not belong to us, we obtain partial ownership of the new product according to the ratio between the value of the goods delivered by us and the value of the other goods used at the time of combining or mixing. At the time of conclusion of this contract, the Purchaser cedes partial ownership to us, in accordance with our share of the value of our goods, in all cases where combining or mixing is performed in a way that makes the goods of the Purchaser the main part of the product or in which our ownership expires by law. The Purchaser is the unpaid custodian of the goods for which sole or partial ownership was established by combining or mixing. The same applies when the goods are mixed with other objects that are not our property.
7. The Purchaser cedes the claims resulting from the resale of the reserved goods to us at the time that this contract is concluded. We hereby accept the cession. The Purchaser cedes the whole claim resulting from the sale of the goods to us when the reserved goods are a processed product or combined or mixed stock that contains, in addition to the goods delivered by us, only objects that are either owned by the Purchaser or that were delivered to him by third parties with simple retention of ownership. When the cessions granted to us coincide with cessions granted to other suppliers, we are entitled to the fraction of the claim resulting from the sale that

corresponds to the ratio between the invoice value of our goods and the invoice value of the other, processed, combined or mixed goods.

8. We are obliged to release the collateral concerned at the request of the Purchaser when the collateral due to us exceeds 110% of the value of our claims plus the applicable value-added tax; the selection of the collateral to be released is our prerogative. The valuation of the collateral is to be based on the assessed value for movable goods and on the nominal value for claims.
9. The Purchaser is entitled and obliged to collect outstanding payments from the resale of the goods. This right to collect expires when we become aware of circumstances that give cause to doubt the creditworthiness of the Purchaser (see Section 4 Point 5). We are furthermore entitled to cancel the right of the Purchaser to collect when he is in arrears with his duties towards us, in particular with payments, or when we become aware of other circumstances that give cause to doubt his creditworthiness. When the Purchaser no longer has the right to collect or when his right has been withdrawn by us, the Purchaser must, at our request, immediately inform us of the debtors with regard to the claims ceded and provide us with the information and documentation required for collecting the claims.
10. When a third party takes possession of the reserved goods, the Purchaser is obliged to point out that they are our property and to inform us immediately. Costs incurred in the process are the responsibility of the Purchaser.

## Section 6: Delivery date, Delivery

1. Deadlines for delivery are approximate-deadlines. Compliance with the agreed deadlines for the deliveries presupposes, moreover, the timely receipt of all the documents to be delivered by the Purchaser, the requisite permits and approvals, particularly of plans, as well as compliance with the agreed terms of payment and other obligations of the Purchaser. If these conditions are not fulfilled by the Purchaser in due time, the deadlines shall be extended appropriately. Deadlines for delivery are met when the notice of shipping confirmation is given.
2. We are entitled to partial delivery, provided that they do not exceed the reasonable minimum.
3. The Purchaser has to check and confirm the delivery note. Any objections shall be reported to us immediately in writing. Otherwise the delivered quantity is considered as acknowledged.
4. Any delays in delivery caused by malfunctions we are not responsible for, official measures or force majeure will extend the deadline of delivery to an appropriate period. National or international sanctions, employment disputes including strikes and lawful lookouts in our business or at our Suppliers are also considered as force majeure. In case of delayed delivery the Purchaser may rescind from the contract after setting an appropriate grace period for delivery, if we do not perform within the grace period. Any further claims for delayed delivery, such as damages, are excluded in accordance with the provisions in Section 9 (Liability).
5. If dispatch or delivery is delayed at the Purchaser's request and after written confirmation by us by more than one month after notification of readiness for dispatch, the storage will be at the Purchaser's risk and expense.

6. We indicate, that concerning the delivery of our products, we are depended on our suppliers. If we made a congruent cover transaction, but still our supplier does not deliver at all or does not deliver on time, the goods which we need to fulfil our supply obligations arising from the contract with the Purchaser and if we are not responsible for the incorrect and delayed self-supply, we have the right of rescission from the contract with the Purchaser. According to the provisions in Section 9 (Liability) we are not liable for potential damages. We have to inform the Purchaser about the incorrect or delayed self-supply, as soon as we take notice.
7. The INCOTERMS in their currently valid version apply to the interpretation of old delivery regulations agreed upon.

#### **Section 7: Shipping, Transfer of Risks**

1. Delivery shall take place ex works. We arrange the shipment to the Purchaser in his name and at his expense and risk. This also applies, if we pay for the shipment and/or insure the shipment on the basis of individual agreements.
2. Obvious losses and damages during the shipment shall be noted by the Purchaser on the cargo receipt with a certain reservation. Additionally, the deliverer needs to be informed in writing without delay. The Purchaser is responsible to take the necessary steps without delay in order to keep the rights of the Purchaser. Losses or damage caused by the transit must be reported to us immediately. The limitation period for giving notice to us is seven days.
3. Losses and damages caused by shipment shall not give the Purchaser the right to not pay the full purchase prices.

#### **Section 8: Quality and Warranty**

1. Measures, descriptions of performance and other data about the condition of the delivered goods serve for specification purposes only. This also applies to advice on the suitability and application of goods. Any public advertising statements/product information provided by third parties or by us are not part of the contractual product specification, unless we have made a corresponding agreement with the Purchaser. In so far as the materials to be used are specified in the contract, this merely guarantees conformity with the specification and not the suitability of the material for the contractual purpose. We are only obliged to notify the Purchaser in the event of obvious unsuitability of materials.
2. The Purchaser is obliged to inspect the delivered goods immediately for completeness, agreement with the delivery documents and the order and for faults. Noticeable deviations and faults must immediately be claimed in writing. The delivery is deemed to comply with the contract when no complaint is made within seven days after receipt of the goods by the Purchaser. Hidden defects must be reported to us in writing immediately after discovery. If the Purchaser breaches his obligations in accordance with this section he loses his warranty claims concerning the respective defect.
3. Written complaints must document the complaint in a way that makes it possible to trace and verify its respective cause. Representative samples and/or pictures must be attached where necessary.
4. No complaints can be filed once the delivered goods have been processed, attached or mixed.

5. Claims based on defects are excluded in the event of minor deviations from the agreed characteristics or utility. Apart from that, the Purchaser has the right to demand rectification of defects or replacement, depending on our choice. We are entitled to make a reasonable number of improvement attempts or replacements, but at least three. If the rectifications of the defect or the replacements fail, the Purchaser shall - notwithstanding further claims in accordance with Section 9 (Liability) - be entitled to revoke the contract or to claim a price reduction at his own choice. This right is limited to the respective delivery as far as such a limitation is not unacceptable for the Purchaser due to the nature of the matter.
6. Claims based on defects become time-barred within one year after delivery of the goods. This shall not apply if the law prescribes longer periods in accordance with Sec. 438 par. 1 No. 2 German Civil Code (buildings and material for buildings), Sec. 479 par. 1 German Civil Code (regress claims) and Sec. 634 a par. 1 No. 2 (defect in construction) or in case longer periods apply mandatory according to the German Act on Product Liability, in cases of a wilful or grossly negligent breach of duty by us, if a defect is fraudulently concealed and in cases of injury of life, body or health. The legal regulations concerning expiry suspension, suspension and restart of the limitation period remain unaffected. If our order confirmation states a longer warranty period, these claims expire after the stated period. Claims based on defects for provided rectification or replacement shall become time barred three months after completion of the rectification or replacement but not before the end of the original period. Measures to remedy defects do not constitute an acknowledgement of a defect. They always take place on a goodwill basis and without precedent of a legal or factual situation.

#### **Section 9: Limitation of Liability**

1. Our liability occurring from contract or law is excluded, unless otherwise agreed below.
2. The exclusion of our liability in accordance with Section 9 Point 1. does not apply
  - for damage we have caused deliberately or grossly negligent;
  - if and to the extent that we are liable concerning to the mandatory regulations of the German Act for Product Liability;
  - if and to the extent that we have given a guarantee as to quality or durability and damage from the breach of the guarantee occurred;
  - in cases of culpable injury of life, body and health.
3. In cases of minor and ordinarily negligence our liability - unless we are not already liable in accordance with Section 9 Point 2 - is limited to infringements of essential contractual obligations. Essential contractual obligations are all obligations which have to be performed because otherwise the proper execution of the contract is not possible and on which the Purchaser relies upon and indeed is entitled to rely upon. We are not liable in cases of minor negligence of insignificant contractual obligations.
4. Claims for damage of the Purchaser due to minor or ordinary negligence in accordance with the above stated Section 9 Point 2 and 3 are excluded in any case, if not claimed in court within three months after rejection of the claims with a corresponding notice by us or by our insurance company.

5. All claims for damages caused by negligence in accordance with Section 9 Point 2 and 3 expire corresponding to the provision Section 8 Point 6. Deviating hereof, the beginning of the limitation period for claims, which are not claims for defects is determined by the statutory regulations.
6. The above mentioned exclusions and limitations of liability apply as well for our institutions, employees and agents as well as the personal liability for our institutions, our employees and our agents.

#### **Section 10: Final provisions**

1. The place of fulfilment for all obligations resulting from this contract, including the payment obligations of the Purchaser, is the site of our registered office in Trittau.
2. The exclusive place of jurisdiction for all disputes resulting from this contract is Hamburg, Germany, when the Purchaser is a business person, legal entity in terms of public law or a special public fund. The same applies when the Purchaser has no general place of jurisdiction in Germany or when his domicile or usual place of residence is not known at the time that proceedings are instituted.
3. The laws of the Federal Republic of Germany apply. The terms of the UN purchasing laws (CISG) do not apply.
4. The validity of the contract and the validity of the remaining regulations is not affected when individual clauses of this contract with the Purchaser, including these general terms and conditions, are or become fully or partially invalid; this particularly applies when only individual claims or parts of claims become invalid. The fully or partially invalid regulation is to be replaced by a regulation that is as close as possible to the economic impact of the invalid regulation.
5. Data collected by us and all data transmitted to us are processed and stored in compliance with the applicable data protection laws (DS-GVO, BDSG). After the expiration of the purpose of use, all data which are not subject to any obligation for storage will be deleted immediately in accordance with data protection regulations. The contracting parties shall treat all matters not generally known to the public as well as personal data confidentially. We will not pass on such information and personal data to third parties unless this has not been agreed upon or we are obliged to pass on this information on the basis of a legal regulation or an administrative order.

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