

GENERAL TERMS AND CONDITIONS OF BUSINESS OF THE COMPANY MONTA KLEBEBANDWERK GMBH

GENERAL TERMS OF DELIVERY

§ 1 GENERAL

- (1) Our terms of delivery are applicable only; Any contrary conditions of the customer or conditions differing from our terms of delivery are not accepted by us, unless we have expressly given our written consent to their applicability. Our terms of delivery shall also apply if we carry out the delivery without reservations regarding the knowledge of opposing or deviating terms of the customer.
- (2) All agreements made between us and the customer for the purposes of executing this contract are contained in writing in this contract.
- (3) Notice of Sale shall apply only to companies within the meaning of § 310 (1) BGB (the german civil code).

§ 2 OFFER – OFFER DOCUMENTS

- (1) Our offer is not binding unless otherwise stated in our offer.
- (2) We reserve ownership and copyrights to images, drawings, pricings and other materials and samples. This also applies to information, in particular written documents, identified as "confidential". The Buyer shall require our explicit written consent before communicating such information to third parties.

§ 3 DELIVERY QUANTITY

For technical reasons during manufacture, we reserve the right to increase or decrease the delivery by 10 %. This is the customary procedure.

§ 4 DELIVERY TIME

- (1) The fulfilment of our delivery obligations further requires the punctual and proper fulfilment of the customer's duties (e.g. documents, permits or approvals to be supplied). If this is not the case, the delivery period shall be prolonged by a reasonable period. The defence of unfulfilled contract is reserved (§ 320 BGB (the german civil code)).
- (2) We are at all times entitled to make delivery in instalments, as long as we announced the delivery in instalments 5 days before delivery ex works.
- (3) If the customer is in default of acceptance or culpably violates other obligations of cooperation, we are entitled to demand compensation for losses incurred by us, including any additional expenses. Further claims or rights are reserved.
- (4) To the extent that the requirements of paragraph (3) apply, the risk of accidental loss or accidental deterioration of the goods passes at the moment that he is in default of acceptance or payment.
- (5) We are liable according to the statutory provisions if the underlying purchase contract is a firm deal within the meaning of § 286 (2) No. 4 BGB (german civil code) or § 376 HGB (german commercial code). We are also liable according to the statutory provisions in cases in which the customer - due to a delay in delivery within our control - is entitled to claim frustration of his interest in executing the contract. Our liability for damages is limited in these cases to the foreseeable, typically occurring damage.
- (6) We are also liable according to the statutory provisions if the delay in delivery is caused by us on basis of a wilful or grossly negligent breach of contract; Faults of our representatives or vicarious agents are to be attributed to us. If the delivery delay is due to a grossly negligent breach of contract, our liability for damages is limited to foreseeable , typically occurring damage.
- (7) We are liable according to the statutory provisions , insofar as the delivery in delay is due to a culpable breach of an essential contractual obligation. In this case the liability for damages is limited to foreseeable , typically occurring damage.
- (8) In the cases of the above mentioned paragraphs (5), (6) S.2 and (7) losses of production will not be replaced by us.
- (9) Furthermore, we shall be liable in case of a delay in delivery for each complete week of delay in the amount of 0,5% of the delivery value per completed calendar week, but not more than 5% of the delivery value.

§ 5 TRANSFER OF RISK – PACKAGING COSTS

- (1) Unless the order confirmation states otherwise, delivery is agreed on "ex works".
- (2) The statutory provisions, if applicable (e.g. the German Verpackungsverordnung), will apply for the return of packaging.
- (3) In case the customer requires, we will cover the shipment with a transport insurance; the costs incurred to this extent will be borne by the customer

§ 6 PRICES AND PAYMENT

- (1) Provided that the order confirmation does not state otherwise, our prices shall apply "ex works" excluding packing, freight, postage and insurance, which are charged separately. We shall reserve the right to increase or reduce prices to reflect the changes in our costs due to e.g. collective wage agreements or changes in material prices. We will prove this to the customer on request.
- (2) Our prices do not include the statutory VAT; the VAT is stated in the invoice separately at the applicable rate at the date of the invoice.
- (3) The deduction of any early payment discount shall require specific and written agreement.
- (4) Provided that the order confirmation does not state otherwise, the purchase price shall be payable in full within 30 days from the date of invoice. The statutory regulations concerning the consequences of default in payment shall apply (e.g. § 247 BGB; german civil code).
- (5) The customer will be only entitled to rights set-off, if his counterclaims are found absolutely by jurisdiction, are undisputed or recognized by us. In addition the customer is authorized to practice the right of retention in so far as his counterclaim is based on the same contractual relationship.

§ 7 LIABILITY FOR DEFECTS

- (1) Claims for defects by the customer provide that the customer met his inspection and reproof obligations according to § 377 HGB (German Commercial Code) properly.
- (2) In so far as the purchased item is defective, we at our discretion will be entitled to make supplementary performance in the form of remedying the defect or delivering a new defectfree item. In case of remedy of the defect we shall only be obligated to bear all of the expenses required for the purpose of remedying the defect up to the amount of the purchase price.
- (3) If supplementary performance fails, the customer shall be entitled at his choice to rescission of the contract or to a price reduction.
- (4) We are liable according to the statutory provisions, if the customer makes a claim for damages, which are based on intent or gross negligence, including intent or gross negligence of our representatives or vicarious agents. If we are not charged intentional breach of contract, the liability for damages is limited to foreseeable, typically occurring damage.
- (5) Provided that we violate culpably an essential contractual obligation, we are liable according to statutory requirements, however on the condition that our liability for compensation in damages is limited on the foreseeable, typically occurring damage. An essential obligation is an obligation the fulfilment of which the customer had reasonable right to rely on.
- (6) Costs caused by loss of production incurred by the customer in the cases of the above mentioned paragraphs (4) and (5) due to our fault causing a delay in delivery are not replaced by us (see § 4 (8)).
- (7) Liability in the event of negligent harm caused to life, limb and health shall remain unaffected; this also applies to statutory liability laid down in the German Product Liability Act.
- (8) Unless the previous paragraphs do not provide otherwise, any liability is excluded.
- (9) The period of limitation for warranty claims is 12 months beginning with transfer of risk.

§8 JOINT AND SEVERAL LIABILITY

- (1) A further liability on compensation in damages as provided in No. 7 is impossible - without regard of the legal basis of the set up claims. This is valid for claims for damages from fault at contract conclusion, because of other breach of duty or because of culpable behaviour claims for replacement of property damages according to § 823 BGB (german civil code).
- (2) Limitation according to paragraph (1) also applies as far as the customer instead of a claim for damages demands reimbursement of useless expenditure instead of performance.
- (3) As far as a liability for compensation with regard to us is impossible or limited, this is also valid with regard to the personal liability for compensation of our employees, staff, assistants, representatives, vicarious agents and persons employed by us in the performance of our obligations.

§9 RETENTION OF TITLE

- (1) We reserve ownership of the supplied goods until fulfilment of all claims from the business relation with the customer. To the extent that we agree with the customer on payment of the purchase price owed on the basis of the check/note payment procedure, the retention also extends to the redemption of the note accepted by us and does not expire by crediting the received bill on our account. In the case of the customer's behaviour contrary to contract, for example default in payment, we have the right to take back the reserved product. If we take back the reserved product, this will represent a rescission of the contract. We are entitled to utilize the reserved product after we took it back. After deduction of an adequate amount for the utilization costs, the utilization net profit is to be charged with the amounts that are owed to us by the customer.
- (2) The customer will be obliged to treat the purchased item with care; it is in particular obliged to sufficiently insure the item at its own cost against damage by fire, water and theft at the value of the new item. Insofar as maintenance and inspection work is necessary, the customer must carry out such work on time and at its own cost.
- (3) In the event of seizures or other interventions by third parties, the customer must immediately notify us in writing in order to enable us to take action in accordance with § 771 ZPO (german civil procedure). In so far as the third party is not able to reimburse us for the court and out-of-court costs of such action in accordance with § 771 ZPO, the customer will be liable for any losses we suffer.
- (4) The customer will be entitled to resell the purchased item within proper business; however, it already assigns to us the equivalent of the final invoiced total (including VAT) of our claim that it gains from the resale against its purchasers or third parties irrespective of whether the purchased item has been resold without or after further processing. The customer remains entitled to recover this claim even after its assignment. Our authority to recover the claim ourselves remains unaffected by this. However, we undertake not to recover the claim for as long as the customer meets its payment duties from the revenues made, does not fall into arrears and particularly no application for court-composition or insolvency proceedings has been made or payments have been stopped. If this is the case, however, we will be able to request the customer to inform us of the assigned claims and those owing them, provide us with all the information required for the collection, hand over the corresponding materials and inform the debtors (third parties) of the assignment.
- (5) The processing or modification of the purchased item by the customer will always be carried out on our behalf. If the purchased item is processed with other items not belonging to us, we will acquire co-ownership in the new item to the ratio of the value of the purchased item (total invoiced amount, including VAT) in relation to the other processed items at the time of processing. Otherwise, the same will apply to the item created through processing as applies to the conditionally supplied purchased item.
- (6) If the purchased item is mixed inseparably with other items not belonging to us, we will acquire co-ownership in the new item to the ratio of the value of the purchased item (total invoiced amount, including VAT) in relation to the other processed items at the time of processing. If mixing is effected in such a way that the customer's item must be regarded as the main item, it is deemed to have been agreed that the customer has assigned co-ownership to us on a proportional basis. The customer will hold the thus created sole ownership or co-ownership on our behalf.
- (7) We undertake to release the securities to which we are entitled on request by the customer to the extent that the realisable value of our securities exceeds the value of our claims to be secured by more than 10%; the choice of the securities to be released will be at our discretion.

§ 10 PROTECTIVE COVENANT

In case of delivery to the customer's specifications, in particular because of supplied drawings, models or samples, we do not take any liability for infringement of any existing patent rights. This shall also apply if such drawings, models or samples are provided to us on instruction of the customer by third parties. The investigation into the existence and scope of such rights is solely the customer's responsibility. The customer will release us from claims of a third party in the internal and external relation in the case of violation of protective covenants.

§ 11 JURISDICTION – APPLICABLE LAW

- (1) If the customer is a trader, the place of jurisdiction shall be the courts having jurisdiction where our principal place of business is located. We are however entitled to take legal action against the customer at the courts where he has his place of residence as well.
- (2) The Laws of the Federal Republic of Germany are valid; the validity of the CISG (United Nations Convention of Contracts for the International Sale of Goods) is excluded.
- (3) The German version of these Terms and Conditions shall be deemed original and, in the case of disagreement on the interpretation of the rules, shall prevail.

01.09.2014