

General Terms and Conditions for Deliveries and Services

Manuli Stretch Deutschland GmbH – as per August 2015

1. General Provisions, Scope

1.1 These General Terms and Conditions for Deliveries and Services shall govern all services provided or still to be provided by our company, irrespective of whether or not we manufacture the goods ourselves or purchase them from suppliers (Arts. 433, 651 BGB [German Civil Code]). The most recent version of these General Terms and Conditions for Deliveries and Services shall also serve as a general agreement for future contracts on the sale and/or supply of moveable property with the same purchaser; it shall then not be necessary for us to repeatedly refer specifically to these terms on each separate occasion.

1.2 Our General Terms and Conditions for Deliveries and Services shall apply only if the customer and/or purchaser (hereinafter referred to respectively as the 'customer' or 'purchaser') is an entrepreneur (according to Art. 14 BGB), a legal entity under public law, or a special fund under public law.

1.3 Our General Terms and Conditions for Deliveries and Services shall apply exclusively. Any General Terms and Conditions of the purchaser which deviate from, contradict or supplement our terms shall not be deemed to be part of the contract unless and to the extent to which we have expressly consented to their validity. This requirement for specific written consent shall apply without exception, for instance even if we carry out a delivery to the purchaser without reservation, whilst fully aware of the latter's GTCs, or if we refer to correspondence which contains or makes reference to the terms and conditions of the customer or of a third party.

2. Contractual Basis, Conclusion of the Contract

2.1 Catalogue offers from us, including those advertised online, are always non-binding, and serve only as an invitation to submit a purchase bid. A binding contractual offer exists only once the purchaser has ordered goods or services. A written order confirmation shall be issued to signal acceptance of this offer, unless we have made a binding offer which has been accepted by the customer. Plain acknowledgments of receipt of the purchaser's orders and/or declarations which are generated automatically by us in the course of the online sales process do not constitute an order confirmation within the meaning of these provisions.

2.2 We must decide whether or not to accept the order within seven calendar days of its receipt, and must notify the purchaser accordingly. If no notice of acceptance is issued before this deadline expires, the order shall be deemed to have been rejected.

2.3 The written order confirmation, including these General Terms and Conditions for Deliveries and Services, shall govern the legal relationship between ourselves and the customer, especially in terms of the scope of the contract and the obligation to provide goods and services. If the customer has accepted a binding offer from us, the legal relationship shall be governed by this offer and by these General Terms and Conditions for Deliveries and Services.

2.4 As early as at the offer stage, the customer must notify us if the goods and services we are to provide are to be exposed to unusually high stresses or used for special purposes, or if their use might be associated with increased risks.

2.5 If we provide the customer with drawings or other documents in connection with the preparation of a contract, they shall remain our property. We shall retain the copyright to such items. Third parties may not be granted access to them by the customer without our express written consent.

2.6 References to the application of statutory regulations are made solely for the purpose of clarification. The statutory regulations shall apply even in the absence of such clarification, unless directly amended or expressly excluded by these General Terms and Conditions for Deliveries and Services.

2.7. Written form shall be deemed to have been observed even if documents are transmitted using fax messages (via telephone or computer), email, or other forms of telecommunication.

3. Prices, Terms of Payment

3.1 The adherence of the agreed prices for our goods and services presupposes that the positions on which the agreement is based remain unchanged, and that the agreement can be performed without any hindrances accountable to the customer. The customer shall be liable to pay an additional charge in the event of retrospective additions or amendments to the order which lead to an additional expenditure.

3.2 Unless otherwise indicated, the given final price shall include packaging, freight costs, insurance and customs duties. Packaging, freight costs, insurance and customs duties do not occur if the goods are collected ex works. Prices shall be charged in accordance with the written agreements. Project development, including the preparation of plans, sketches and drawings, shall attract a separate charge where this is a supplementary service.

3.3 We reserve the right to adapt the prices accordingly for deliveries and services that will be carried out later than 30 days after the contract conclusion if the costs that form the basis for our own price calculation have changed significantly without any involvement of our own due to cases of force majeure, the conclusion of collective labor agreements, changes of the raw material prices as well as other price alterations of our suppliers or due to changes in currency exchange rates, as far as this could have not been foreseen with sufficient definiteness at the contract conclusion and the avoidance is not allowed for us or we are not able to prevent this with reasonable measures. Upon request of the customer we will demonstrate the reasons for the price adjustment.

3.4 Unless otherwise agreed, payment shall fall due no later than when the goods are delivered or the service completed. The agreed deadline for payment shall be deemed to have been observed only if the amount payable is made available unconditionally on the payment date. In the case of work performance, we may demand part payments from the customer for completed stages of the work against reasonable security.

3.5 Payments must be made either in cash, by bank transfer, by EU bank transfer, by cheque or by bill of exchange. Cheques and bills of exchange shall be acknowledged as payments only once they have been cleared. Fees or other expenses associated with the presentation of cheques or bills of exchange shall be borne by the customer. Unless otherwise agreed, payment must be made in Euro.

3.6 If, after the contract conclusion, it becomes apparent that our entitlement to the purchase price is at risk due to the lack of financial viability of the customer, we shall be entitled to make our provision of

goods and services conditional upon advance payment being made or cash on delivery agreed, or upon the provision of security. Any existing debts in respect of services already provided shall fall due immediately, even if deferred payment has been arranged. Our entitlement to the purchase price shall be deemed to have been put at risk by the customer's lack of financial viability if, in particular, there is a marked deterioration in the customer's financial circumstances following the conclusion of the contract; this will be assumed to be the case if the customer is already in default of payment, cheques are returned, bills of exchange or cheques are stopped, an application is filed to initiate insolvency proceedings, or legal enforcement proceedings are initiated. However, his lack of financial viability shall also be deemed to constitute a risk in this respect if the financial circumstances of the party ordering goods or services in advance of payment were already so bad at the time the contract was concluded that this jeopardises our ability to recover the purchase price, we only became aware of this after concluding the contract, and we were unable to perceive this despite exercising due diligence with regard to the viability of the customer. If the customer does not comply with our request to provide security within a reasonable deadline, we shall be entitled to withdraw from the contract.

4. Default of Payment, Set-Off, Right to Withhold Performance, Assignment

4.1 In the event of a default in payment, we shall be entitled to charge interest to the amount of 9 percentage points above the respective base rate of the German Federal Bank according to Art. 247 of the German Civil Code ("BGB"). We reserve the right to claim for additional losses. In particular, we reserve the right to claim for expenses we incur as a result of instructing others, especially lawyers, to enforce our rights once the deadline for payment has elapsed. Our claim to charge commercial maturity interest from mercantile traders within the meaning of the German Code of Commerce ("HGB") shall remain unaffected (Art. 353 HGB).

4.2 The customer is entitled to withhold payment or set it off against counterclaims only if these are undisputed or ripe for judgment (there are no logical grounds for disputing them), or have been legally determined. The customer may not exercise the right to withhold payment with respect to advance services as long as the counter-performance is effected by ourselves or a security for it is provided by us. In the event of defects in the delivery, Art. 7.3 shall remain unaffected.

4.3 The customer is entitled to withhold payment or set it off against counterclaims only if these are undisputed or ripe for judgment (there are no logical grounds for disputing them), or have been legally determined. The customer may not exercise the right to withhold payment with respect to advance services as long as the counter-performance is effected by ourselves or a security for it is provided by us. In the event of defects in the delivery, Art. 7.3 shall remain unaffected.

5. Delivery, Place of Fulfilment, Transfer of Risk, Acceptance, Delivery Periods and Deadlines, Packaging

5.1 Delivery shall be made ex warehouse, which is also the place of fulfilment. At the purchaser's request, the goods can also be despatched to another destination (sale involving the carriage of goods); in such cases, the relevant version of the ADSp (German General Terms and Conditions for Freight Forwarders) shall apply in addition to these General Terms and Conditions for Deliveries and Services. Unless otherwise agreed, we are entitled to choose the type of shipment ourselves (in particular the shipping company, route, and type of packaging). The type of packaging is not

determined on an item-related basis, but solely on the basis of technical considerations relating to transportation and production. The length of the packaging shall always be determined by the largest dimension of the unit concerned. Transport and all other packaging pursuant to the German Regulation on Packaging (“Verpackungsverordnung”) may not be returned; it shall become the property of the purchaser, with the exception of euro-pallets, reusable packaging belonging to us, and packaging which we clearly designate as our own property.

5.2 The risk of accidental loss or accidental deterioration of the goods shall be transferred to the customer no later than upon handover of the goods. If an inspection and approval process has been agreed, this shall determine the point at which risk is transferred. Furthermore, the statutory regulations governing contracts for work shall also apply accordingly in the case of an agreed inspection and approval process. If the purchaser is in default of acceptance, the same provisions shall apply as if the goods had been handed over or accepted. In the case of sales involving the carriage of goods, the risk of accidental loss or deterioration of the goods and the risk of delay shall, however, be already transferred as soon as the goods are handed over to the carrier, the freight forwarder or the other individual or establishment responsible for delivering the goods. If shipment is delayed through the fault of the customer, risk shall be transferred to the latter from the date on which the goods are ready for shipment and we have notified the customer about this accordingly.

5.3 Agreed periods and deadlines for deliveries and services shall commence only once the customer has performed all the preparatory acts required of him and has complied with his obligation to cooperate. If an act required of him is behind schedule, these periods and deadlines will be extended by the duration of the delay. Periods and deadlines are valid only if we have declared them to be binding or have confirmed them.

5.4 The delivery period shall be deemed to have been met if we have offered the customer the goods within the relevant period, or have asked him to collect them. If the sale involves the carriage of goods, the delivery date shall be deemed to have been met if we supply the goods to the carrier, freight forwarder or other individual or establishment responsible for delivering the consignment within the agreed delivery period. If shipment or handover is delayed through the fault of the customer, the delivery period shall be deemed to have been met if we have notified the customer within the delivery period that the goods are ready for shipment.

5.5 If we are unable to honour delivery periods and deadlines because of unforeseeable obstacles beyond our control which are temporary in nature and for which we bear no responsibility, the periods and deadlines concerned shall be extended by the duration of the obstacle or disruption, plus a reasonable lead time. This shall apply in the case of force majeure, as well as strikes, lockouts, or public orders, even if it is our suppliers or subcontractors who are affected, provided that the obstacles can be shown to have a substantial impact on our ability to supply the goods and services. We shall notify the purchaser promptly that we are unable to honour the delivery period or deadline, at the same time specifying the new delivery date we expect to be able to honour. The customer’s statutory rights to withdraw from or terminate the contract shall remain unaffected.

5.6 If we are nonetheless in default pursuant to the statutory regulations, the customer must grant us a reasonable grace period. Provided this does not expire unsuccessful and is not deemed unnecessary

for other reasons provided for by law, he may not make a replacement purchase or withdraw from the contract.

5.7 If the purchaser is in default of acceptance or fails to meet his obligation to cooperate, or if our delivery is delayed for other reasons for which the purchaser is responsible, we shall be entitled to demand compensation for any resulting loss or damage, including additional expenses (in particular storage costs). We shall charge a lump-sum compensation payment of 0.5% of the net invoiced amount per month, commencing on the delivery deadline or – if a delivery period has not been agreed – from the date of notification that the goods are ready for shipment. In the case of incomplete months, compensation shall be charged on a pro rata basis of 1/30 of the aforementioned monthly sum per calendar day, regardless of the actual number of days in the month. Our right to demonstrate that we have suffered greater loss or damage and our statutory claims shall remain unaffected (in particular the reimbursement of additional expenses, reasonable recompense and termination); however, the lump sum must be offset against any additional monetary claims. The purchaser is at liberty to demonstrate that we have suffered no loss or damage, or that it is considerably less than that represented by the aforementioned lump sum. We are under no obligation to insure the stored goods.

6. Reservation of Title

6.1 Until such time as payment has been made in full in respect of all present and future claims arising from the contract and as long as we have an ongoing business relationship with the customer (secured claims), we shall reserve title to the goods supplied or manufactured by ourselves (goods subject to retention of title). This shall apply even if individual or all sums have been included in an open account, and the balance has been drawn up and accepted. Payment shall be deemed to have been made upon receipt by us of the equivalent value. If the customer is not a merchant within the meaning of the German Code of Commerce (“HGB”), we shall reserve title to the goods subject to retention of title only until such time as payment has been made in respect of all present and future claims arising from the contract with the customer.

6.2 If the customer is in breach of contract, especially as a result of failure to pay the due purchase price, we shall be entitled under statutory regulations to withdraw from the contract and to demand the return of the goods on the grounds of the reservation of title and withdrawal. If the customer does not pay the due purchase price, we may only exercise these rights (withdrawal, followed by a demand for surrender of the goods) if the customer still fails to pay after being granted a reasonable payment extension, usually of fourteen days, or if the granting of such an extension is unnecessary under statutory regulations.

6.3 The customer is entitled to resell and process the goods subject to retention of title in the ordinary course of business. Resale may only be made under retention of title, unless the purchaser pays immediately in cash. The customer is not permitted to otherwise dispose of the goods, in particular by pledging them or providing them as security for debts. If the customer's financial circumstances deteriorate and he is no longer solvent, he shall lose his entitlement to resell the goods. In this case, he must first provide us with adequate security.

6.4 If the customer processes or alters the goods subject to retention of title, this is always undertaken on our behalf. If the goods are processed, mixed or combined with the goods of third parties who have reserved title to them, we shall acquire proportionate co-ownership of the processed, mixed or

combined goods based on their invoice values. The customer shall store the products of which we have ownership or co-ownership on our behalf. Otherwise, the same terms shall apply in the case of the resulting product as for the goods supplied under retention of title. Any claims against third parties arising from resale of the goods or product are assigned to ourselves as security by the customer with immediate effect either in full or to the value of our own share in the co-owned item. We herewith accept the assignment. The duties of the purchaser specified in Para. 2 also apply to the assigned claims.

6.5 The customer shall, already with immediate effect, assign to ourselves all claims and security rights he acquires from his own customers or from third parties through the resale, irrespective of whether or not the goods subject to retention of title are resold without or after processing. We herewith accept the assignment. If the goods subject to retention of title are sold together with other goods which do not belong to us, the assignment of future claims shall apply only to the value of our share of the co-owned products.

6.6 Even after assignment, the customer shall remain entitled to collect the claims ceded to us. This shall not affect our entitlement to collect the claims ourselves. However, we undertake not to collect claims ourselves as long as the customer duly meets his payment obligations to us, is not in default of payment, and does not file an application for the initiation of insolvency proceedings, and provided there are no other grounds for questioning his solvency. If any of the above is applicable, however, we can demand that the customer notifies us of the assigned claims and the debtors, provides all the necessary information for collection, surrenders the associated documents and notifies the debtors of the assignment.

6.7 In the case of payments by cheque, title to the cheque shall be transferred to ourselves as soon as it is acquired by the customer. If payment is made by bill of exchange, the customer herewith assigns all arising rights to ourselves in advance. Rather than surrendering these documents to us, the customer shall keep them on our behalf; alternatively, if he does not acquire direct possession of them, he herewith assigns to us in advance his right to demand their surrender from third parties, and pledges to supply us with these documents forthwith, with his own endorsement.

6.8 Where reference is made to the value of the goods subject to retention of title, this is the amount quoted on the invoice. At the customer's request, we undertake to release the securities allocated to us to the extent that their realisable value exceeds the claim to be secured by more than 10 %. The choice of securities to be released shall be at our discretion.

6.9 The customer is prohibited from reaching agreements with his own customers or third parties which might exclude or be prejudicial to our own rights in any way whatsoever. This applies in particular to agreements which reverse or prejudice the assignment of future claims. In the event of attachments or other such measures by third parties, the customer must notify us immediately and surrender the documents we require to intervene.

7. Notification of Defects and Claims for Defects

7.1 If a bilateral commercial transaction exists, the purchaser may only make claims for defects if he has met his existing statutory obligations to examine the goods and give notification of defects (Arts. 377 and 381 of the German Code of Commerce – "HGB"). If the purchaser fails to examine the goods

and/or give notification of defects as required, our liability for defects which have not been reported is debarred. If our delivery is sent not to the purchaser but to a third party nominated by him, the same standard shall apply. In such cases, the purchaser must ensure that the delivery was examined immediately upon arrival by the third party concerned, and that notification of any defects identified was made within the prescribed period. Otherwise, the delivery shall be deemed compliant with the terms of the contract.

7.2 Pre-condition of claims for defects shall be that the information provided to us by the customer to enable us to deliver our goods and services was factually correct and complete, and that our goods and services were put to proper and appropriate use by the customer. We accept no liability for defects which result from the performance data submitted by the customer or other false or incomplete information.

7.3 If a justified notification of defects is made, we shall carry out supplementary performance by either supplying a replacement, remedying the defect, or manufacturing a new product, provided that the choice among the mentioned alternatives is at our discretion. Whichever measure we adopt, the customer must grant us a reasonable period for such action, to commence upon notification of the defect. If we fail to remedy the defect within this reasonable period, or if our attempt is unsuccessful, the customer shall be entitled to request a discount or to withdraw from the contract if we have committed a substantial breach of duty. If only parts of the delivery are defective, additional rights on the part of the customer shall be restricted to the defective part of the delivery, unless he has an interest in rejecting partial delivery. We are entitled to make any remedial action conditional upon the purchaser paying the due purchase price. However, the purchaser is entitled to withhold part of the purchase price proportionate to the defect. Claims by the customer for compensation or the reimbursement of fruitless expenditure shall be considered only in accordance with Para. 8, and are otherwise excluded.

7.4 We are not liable for defects that result from a failure to comply with our storage and processing instructions, unsuitable or improper use of the delivered goods or modifications made without prior consultation with us.

8. Liability , Limitation Period for Claims

8.1 Unless otherwise stated in these General Terms and Conditions for Deliveries and Services, including the following provisions, we shall be liable pursuant to the relevant statutory regulations for any breaches of contractual or non-contractual obligations.

8.2 Regardless of the legal basis, we shall be liable to provide compensation for damages at wilful intent or gross negligence. Otherwise, we shall be liable only in the case of:

- a) damage arising from injury to life, physical injury or damage to health;
- b) damage arising from breach of an important contractual obligation (an obligation whose fulfilment makes the proper execution of the contract possible in the first place and upon whose fulfilment the contractual partners regularly rely and may rely); in such cases, however, our liability is limited to compensation for foreseeable and typically occurring damage.

8.3. The limitations on liability specified in Para. 8.2. shall not apply if we have fraudulently concealed a defect, or have guaranteed the characteristics of the goods. The same shall apply to the customer's claims under the Production Liability Act.

8.4 The purchaser may only claim in respect of material defects up to a year after the handover of the goods to the purchaser. This shall not apply if we have guaranteed the characteristics of the goods for a longer period, the defect is one which we fraudulently concealed, or claims are made pursuant to Art. 438 Para. 1 No. 2 or Art. 634a Para. 1 No. 2 of the German Civil Code ("BGB"), or arise from injury to life, physical injury or damage to health. These exceptions are subject to statutory limitation periods.

9. Product Modifications, Delivery Tolerances

9.1 Data and characteristics specified by us in promotional material, catalogues and other publications relating to the products we market, as well as information about their intended use, are non-binding and do not constitute a guarantee or warranty of quality.

9.2 We reserve the right to make such modifications to products as we deem necessary, especially in terms of their characteristics, dimensions and weight. Provided the functionality of the product concerned is not impaired as a result, we are not obliged to inform the purchaser of such modifications.

9.3 We reserve the right to supply quantities which deviate slightly from those stated in the order confirmation provided that the deviation is in single digits in percentage terms, unless it is apparent from the contract negotiations or contract documents that such a deviation is unacceptable for the purchaser. If a smaller quantity is supplied than agreed, there shall be a corresponding percentage reduction in the contractually agreed payment. If a larger quantity is supplied, the purchaser shall nonetheless pay only the contractually agreed sum.

10. Tools, Rights of Use

10.1 Operating materials used by us to manufacture the delivered goods, in particular tools, shall remain our property and shall not be supplied, even if we have charged the customer a percentage of their cost.

10.2 If we supply the customer with drawings or documents to which we own the copyright, or if the rightholder has authorised us to grant simple rights of use to third parties, we shall grant the customer such simple rights of use for the purpose of fulfilling the contract. The customer shall undertake not to remove manufacturer's information from the delivered goods or to alter this without our express prior consent. All other rights shall remain with us and/or the rightholder.

11. Place of Fulfilment, Legal Venue, Applicable Law

11.1 The place of fulfilment for all deliveries and services of the contractual parties is Schkopau, Germany.

11.2 If the customer is a merchant within the meaning of the German Code of Commerce ("HGB"), a legal entity under public law, or a special fund under public law, the legal venue shall be either Merseburg (Local Court – "Amtsgericht") or Halle/Saale (Regional Court – "Landgericht"), depending on the amount in dispute.

11.3 The law of the Federal Republic of Germany shall apply, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods dated 11 April 1980 (CISG).