

CARL BECHEM GMBH General Terms and Conditions of Purchase

Section 1 Scope of application

- These terms and conditions of purchase shall apply to all business transactions with the Supplier or other contractors (collectively referred to hereinafter as the "Supplier"), even if they are not mentioned in subsequent contracts. The inclusion of general terms of delivery or other general terms and conditions of business of the Supplier shall be rejected in the absence of individual contractual agreements. This shall also apply if the Supplier, in particular when accepting the order or in the confirmation of order, refers to its own business conditions and/or we accept its deliveries unconditionally, unless this has been expressly agreed in writing.
- Individual agreements made with the Supplier in individual cases shall prevail in any event over these terms and conditions of purchase. The content of such agreements shall be subject to a written contract or our written confirmation, subject to the provision of evidence.

Section 2 Orders

- An order shall only be deemed to be binding if it has been composed by us in writing and has been provided with a BECHEM order number. Orders placed verbally or by telephone shall only be binding for us if we have confirmed them by subsequently sending a written order.
- The Supplier shall be obligated – without prejudice to the regulation in para. 4 – to accept the offer in our order within a period of two weeks. By accepting the order, the Supplier acknowledges that it has been informed about the type of performance and the scope of service by inspecting the existing documents. We shall not bear any liability for obvious mistakes, typing errors or arithmetical errors in the documents that we have submitted. The Supplier shall be obliged to notify us of such defects so that our order can be corrected and renewed. This shall also apply in the case of lacking documents.
- The order number, material number and supplier number as stated in our order shall be included in all correspondence (confirmation, shipping documents, invoices, etc.). Otherwise, Incoterms 2010 shall apply to the processing of the order as far as the Incoterms are referred to in that regard.
- Orders for purchase of raw materials shall be confirmed to us in writing on the copy of the order within three working days from order; otherwise, we shall be entitled to revoke said order.
- Deviations in quantity and quality in relation to the text and content of our order and subsequent amendments to the contract shall only be deemed to be agreed upon if we have expressly confirmed them in writing.
- The use of our inquiries and orders for advertising purposes shall not be permitted unless we have given our permission in this regard, cf. Section 15.

Section 3 Delivery schedule/contractual penalty

- The agreed delivery periods and dates shall be binding. They shall start as of the date of the order. Within the delivery period/delivery date, the goods must have been received at the receiving address that we have specified. If delays are expected, the Supplier shall have to notify us without delay.
- If the Supplier does not perform its delivery, does not do so within the agreed delivery period or is in default, our rights – in particular to withdrawal and compensation – shall be determined in accordance with statutory provisions unless otherwise stipulated below.
- If the Supplier is in default, we shall be entitled to demand a contractual penalty of 1% of the net order value per completed calendar week, but not more than 5% of the net order value of the goods which are delivered late. We shall be entitled to demand the contractual penalty in addition to the fulfillment and, as the minimum amount, compensation for damages owed by the Supplier in accordance with statutory provisions; the assertion of further damage shall remain unaffected thereby. If we accept the late payment, we shall claim the contractual penalty at the latest with the final payment. Section 343 BGB (German Civil Code) remains reserved.
- We shall not be obliged to inspect the goods before expiry of the delivery date.

Section 4 Delivery/packing/shipping

- The delivery shall be performed at the expense of the Supplier "free to the door" (DDP Incoterms 2010) to the address specified by us. If, as an exception, we shall have to bear the freight, the Supplier shall have to choose the type of transport we have specified or, otherwise, the type of transport and delivery which is most favorable for us. We shall not accept any freight charges.
- The containers shall be to be permanently signed with a quality description, batch number and net weight as well as our part number. In the case of delivery by truck, the clearance shall take place Monday to Thursday from 7 am to 2 pm and on Fridays from 7 am to 11:30 am. No clearance shall take place on Saturday.
- A shipping notice shall have to be sent on the day of delivery. The risk shall only be transferred to us through acceptance by our receiving agency.
- The shipping address shall be to be taken from the order or otherwise requested from us. If that the consignment notes are signed incorrectly, we shall charge for the forwarding freight or refuse acceptance of the goods.

Section 5 Packaging

- The packaging shall be included in the price. The Supplier shall have to choose the packaging specified by us and to ensure that the packaging protects the goods from damage. When returning the goods, the full value of the goods shall be credited.
- Returnable packaging (such as barrels, drums, boxes, etc.) shall be handled pursuant to the deposit system of the chemical industry. The Supplier shall be obliged to redeem any disposable containers. Redemption shall occur carriage forward after unloading; if the goods are returned by truck respectively in the case of delivery, the Supplier shall, in the case of unperformed redemption, bears the costs for disposal.
- Re-packing or transport packaging has to be marked pursuant to the legal requirements. A corresponding disposal contract has to be concluded by the Supplier. On request, a copy of the respective contract is to be sent to us. Otherwise, the packaging will be disposed of or made available to the Supplier at the Supplier's expense.

Section 6 Documentation

- Delivery notes, invoices and packing sheets shall be attached in duplicate to each shipment on the day of delivery; Month invoices are to be sent by the third working day of the following month. In addition to the legal information, these documents also have to include:
 - Order number
 - Supplier number
 - Batch number
 - Quantity/quantity unit/residual quantity for partial deliveries as follows:
 - Final quantity;
 - Previously accepted;
 - Accepted today;
 - Still to be accepted;
 - Gross, net and (if applicable) the calculated weight
 - Article description with our part number.In the case of delayed presentation of an invoice, we shall set the value date on the day of the invoice receipt.
- Irrespective of the above-mentioned documents, in the case of freight shipments, a shipping notice is to be sent to us separately on the day of shipment.

Section 7 Prices

Unless explicitly stated otherwise, the agreed prices shall be fixed prices, unless the Supplier has generally reduced its respective prices.

Section 8 Invoice/payment/assignment of receivables

- Invoices shall be issued separately for each order. Payment shall only take place after complete receipt of the defect-free goods or complete defect-free service and after receipt of the invoice. This shall apply accordingly for partial deliveries. Time delays caused by incorrect or incomplete invoices shall not affect any discount deadlines. In the absence of an agreement to the contrary, payment shall be made by 14 days less 3% discount or by 30 days net.
- Claims of the Supplier towards us may only be assigned to third parties with our consent. Payments are only to be made to the Supplier.
- The Supplier shall only be entitled to a right of offsetting or a right of retention on grounds of legally binding or undisputed counterclaims.

Section 9 Defective delivery

- For our rights in the case of material and legal defects of the goods (including incorrect delivery, short delivery, improper assembly as well as faulty assembly, faulty manuals or faulty operating instructions) and in the case of other breaches of duty by the Supplier, the statutory provisions shall apply provided that nothing else in this regard is stipulated below.
- The Supplier shall in particular be liable for the goods to us having the agreed upon characteristics upon the transfer of risk. In any case, the product descriptions which are the subject of the respective contract, in particular by means of a description or a reference in our order, or which shall be included in the contract in the same way as these terms and conditions of purchase shall be regarded as an agreement concerning said characteristics. It shall not make a difference whether the product description comes from us, from the Supplier or from the manufacturer.
- Notwithstanding Section 442 para. 1 sentence 2 BGB, we shall also be entitled (without limitation) to deficiency claims if the defect remains unknown to us, upon conclusion of a contract, as a result of gross negligence.
- The statutory provisions (Sections 377, 381 HGB (German Commercial Code)) shall apply to the commercial obligation to perform an inspection and to provide notification of defects, subject to the following conditions: Our obligation to perform an inspection shall be limited to deficiencies which appear during our incoming goods inspection under external inspection including the delivery papers as well as to our Quality Control department in the sample procedure (e.g., transport damage, incorrect delivery and short delivery). If an acceptance is agreed upon, there shall not be an obligation to perform an inspection. In addition, it shall depend upon the extent to which an investigation is feasible in light of the circumstances of the individual case according to proper business procedures.
- Our obligation to provide notification of defects for defects that are detected later shall remain unaffected thereby. In all cases, our complaint (notification of defects) shall be deemed to be immediate and timely if it is received by the Supplier within 30 working days.
- The costs incurred by the Supplier for the purposes of the verification and supplementary performance (including any removal and installation costs) shall be borne by the Supplier even if it is found that there was in fact no defect. Our liability for damages in the case of the unauthorized removal of the defect shall remain unaffected thereby; to this extent, however, we shall only be liable if we recognized (or failed to recognize with gross negligence) that there was no defect.

- If the Supplier fails to fulfill its obligation to supplementary performance – at our discretion by removing the defect (rectification) or by delivery of a defect-free item (replacement delivery) – within a reasonable period set by us, we shall be entitled to eliminate the defect ourselves and to demand either compensation from the Supplier for the necessary expenses or a corresponding advance payment. If the supplementary performance by the Supplier fails or is unacceptable to us (e.g., because of special urgency, endangerment of operational safety or a threat of disproportionate damage), no deadline shall be required; if possible, we shall immediately inform the supplier about such circumstances.
- In all other cases, in the event of a material or legal defect in accordance with statutory provisions, we shall be entitled to a reduction of the purchase price or withdrawal from the contract. In addition, we shall be entitled to compensation for damages and expenses in accordance with statutory provisions. The costs incurred by the Supplier for the purposes of the verification and supplementary performance (including any removal and installation costs) shall be borne by the Supplier even if it is found that there was in fact no defect. Our liability for damages in the case of the unauthorized removal of the defect shall remain unaffected thereby; to this extent, however, we shall only be liable if we recognized (or failed to recognize with gross negligence) that there was no defect.
- For the case that BECHEM determines a lack at a product supplied by the supplier or a lack due to a justified customer complaint later is determined and BECHEM the product for this reason to take back and/or lock must, BECHEM is entitled to load a processing lump sum at a value of 150 € the supplier. The processing lump sum is not taken into account on a possible claim for damages. For each return of defective products BECHEM is entitled to charge the supplier the usual market freight costs and additionally a processing lump sum in the amount of maximally 100 €. The supplier renounces in this respect the objection of the continuation connection. The supplier is obligated in this case furthermore to replace BECHEM the costs of the necessary rework as well as other expenditures.

Section 10 Producer liability

- In the event of defects resulting from a fault on the part of the Supplier, the latter shall indemnify us from the resulting producer liability if the cause is within the Supplier's domain of control and organization and the Supplier itself would also be directly liable.
- Within the scope of its indemnity obligation, the Supplier shall have to reimburse expenses pursuant to Sections 683, 670 BGB arising out of or in connection with the use of third parties, including recall campaigns performed by us. We shall inform the Supplier about the content and scope of recalls, as far as possible and reasonable, and give the Supplier the opportunity to comment thereupon. Further legal claims shall remain unaffected thereby.

Section 11 Intellectual property rights

The Supplier shall be liable for the fact that, through its delivery and its utilization, we shall not have infringed any patents or other proprietary rights of third parties in the country of the agreed place of delivery, in the European Union and, as far as communicated to the Supplier, in the intended countries of use. If the Supplier is directly liable to the third party by law, the Supplier shall indemnify us against all claims arising from any infringements of industrial property rights. This shall not apply if the Supplier has produced the delivered goods pursuant to drawings, models or similar descriptions or orders issued by us and does not know about the infringement of industrial property rights or cannot know about them in connection with the products manufactured by the Supplier.

Section 12 Force majeure

War, civil war, export restrictions or trade restrictions due to a change in political conditions as well as strikes, lockouts, operational disturbances, operating restrictions, including events which make the fulfillment of the contract impossible or unreasonable to us, shall be deemed to be force majeure and shall release us from the obligation of timely acceptance for the duration of the event's continuation. The contractual partners shall be obliged to inform one another in this regard without delay and to adapt their obligations to the changed circumstances in good faith.

Section 13 Import permit

- If the fulfillment of a commitment by the Supplier or an acceptance obligation of CARL BECHEM GMBH is subject to permission by the Federal Office of Economics and Export Control (BAFA), the Federal Agency for Agriculture and Food (BLE), another authority of the Federal Republic of Germany or of the European Union or of any other authority and if such permission is not granted, CARL BECHEM GMBH shall be entitled to withdraw from the purchase contract. In such a case, CARL BECHEM GMBH shall only be liable for any damages caused by its intentional or gross negligence or if CARL BECHEM GMBH has failed to fulfill its obligation to obtain permission or to cooperate in obtaining such permission. CARL BECHEM GMBH shall reserve the right to assert its own damages.
- CARL BECHEM GMBH shall not be liable for any delays in the acceptance which result from the obtaining of import permissions and the corresponding official inspection. CARL BECHEM GMBH shall reserve the right to assert its own damages. The provisions of Section 12 shall remain unaffected thereby.
- The right of CARL BECHEM GMBH to rescind for other reasons and to the assertion of resulting damages shall remain unaffected thereby.

Section 14 Retention of title

- We shall reserve the right to property and copyrights for pictures, plans, drawings, calculations, instructions, product descriptions and other documents. Such documents shall be to be used exclusively for the contractual service and returned to us without delay upon fulfillment of the contract.
- The above provision shall apply mutatis mutandis to substances and materials (e.g., software, finished and semi-finished products) as well as to tools, templates, samples and other items that we provide to the Supplier for the purpose of manufacturing. As long as they are not processed, such items shall, at the cost of the Supplier, be kept separately and insured to an appropriate extent against destruction and loss.
- A processing, mixing or combination (further processing) of provided items shall be performed for us by the Supplier. The same applies to further processing of the delivered goods by us so that we shall be regarded as manufacturers and, at the latest, acquire ownership of the product with the further processing pursuant to the statutory provisions.
- The transfer of the goods to us has to be performed unconditionally and without consideration of the payment of the price. If, however, we accept an offer of the Supplier in a particular case due to the purchase price payment, the retention of title of the Supplier shall expire at the latest with purchase price payment for the delivered goods. In the normal course of business, we shall remain authorized, even before payment of the purchase price, to resell the goods under advance assignment of the claim resulting therefrom (alternatively, application of the simple retention of title and the retention of title extended to resale). This excludes all other forms of retention of title, in particular the extended retention of title, the forwarded retention of title, and the retention of title extended to further processing.

Section 15 Business secrets

The Supplier shall be obligated to maintain confidentiality towards third parties regarding our orders and all related documents within the meaning of Section 14 para. 1 of these terms and conditions of purchase as well as the commercial and technical details resulting therefrom, even after the termination of the contract. The obligation of confidentiality shall only expire when, if and insofar as the knowledge contained in the provided documents has become generally known. In particular, the Supplier shall not be entitled to use our inquiries and orders for advertising purposes.

Section 16 Legal and regulatory requirements

In addition to the expressly specified or generally presupposed characteristics, the supplier guarantees the completeness and suitability of his deliveries and services for the ordered goods. He further guarantees compliance with the legal and official requirements applicable in the country in which the goods were produced or from which the goods were exported (country of export). Furthermore it guarantees, the compliance with the legal and official requirements of all importing countries including those countries in which the client produces BECHEM. As far as the supplier is informed of a destination country for the goods, he also guarantees the legal and official requirements of the destination country. With the submission of an offer and/or the acceptance of an order the contractor recognizes the above-mentioned regulations and commits itself, on requirements of the client, to prove the observance.

Section 17 Statute of limitations

- The mutual claims of the contractual parties shall be statute-barred pursuant to the statutory provisions unless otherwise stipulated below.
- Notwithstanding Section 438 para. 1 No. 3 BGB, the general statutory limitation period for claims for defects shall be 3 years as of the transfer of risk. If an acceptance is agreed upon, the limitation shall begin with the acceptance. The 3-year limitation period shall also apply correspondingly for claims resulting from legal deficiencies, whereby the statutory period of limitation for in rem surrender claims of third parties (Section 438 para. 1 No. 1 BGB) shall remain unaffected; in no event shall claims arising from legal defects become time-barred as long as the third party is able to assert the rights against us – especially in the absence time-barring.
- The limitation periods of the purchase right, including the preceding renewal, shall apply to all contractual claims for defects to the extent permitted by law. Insofar as we are entitled to non-contractual claims for damages due to a defect, the regular statutory limitation period shall apply thereto (Sections 195, 199 BGB), unless the application of the limitation periods of the purchase right leads to a longer period of limitation in individual cases.

Section 18 Final provisions

- For all legal relations between the customer and us, even if the customer has its place of residence abroad, German law shall apply exclusively. The UN-purchase right is expressly waived.
- If the Supplier is a merchant within the meaning of the German Commercial Code, a legal person of public law or a public special fund, our place of business in Hagen shall be the exclusive place of jurisdiction – including internationally – for all disputes arising out of the contractual relationship. The same shall apply if the buyer is an entrepreneur within the meaning of Section 14 BGB. However, we shall be also entitled in all cases to file a suit at the place of fulfillment of the delivery obligation in accordance with these terms of purchase or with a priority individual agreement or at the general jurisdiction of the Supplier. Prior statutory provisions, in particular those concerning exclusive responsibilities, shall remain unaffected thereby.
- Should individual provisions be invalid, the effectiveness of the remaining provisions shall remain unaffected thereby. The parties shall be obligated to replace an ineffective provision with an effective one that takes account as far as possible of the economic success desired by the invalid provision.