

General Purchasing Conditions

CHEMETALL GMBH, Frankfurt am Main, Germany

Our purchases are made subject to the terms and conditions set forth below and other agreements, if applicable. The acknowledgement or execution of our purchase order shall be deemed as approval of these purchasing conditions. Any deviating or supplementary general terms and conditions of sale and delivery shall not be applicable, even in specific cases where we have not expressly opposed them.

1. Purchase Order

Only written or electronic orders shall be valid. Any verbal agreements or agreements by phone shall require our written or electronic confirmation. This shall also apply to any amendments.

2. Insurance

- 2.1 We will contract to a transport insurance policy. We can therefore not accept to take over any insurance expenses on the part of the Supplier.
- 2.2 At his own expense, the Supplier shall make out an appropriate third party liability insurance policy for personal injury, material and property damage to cover damage caused by the Supplier, the Supplier's personnel or the Supplier's vicarious agents by the Supplier's services and/or works or delivered goods and he shall maintain such policy in force. The Supplier shall prove this insurance cover on demand.

3. Delivery Dates / Force Majeure

- 3.1 Agreed delivery dates shall be binding and obligatory. Should the Supplier not be able to meet the delivery date, he shall notify us in written or electronic form without delay, before elapse of the agreed delivery date, stating the reason for and the expected duration of the delay. This shall not release the Supplier from his obligation to meet the agreed delivery date.
- 3.2 The unconditional acceptance of late delivery shall not constitute a waiver of the claims for any compensation that we are entitled to on the grounds of the late delivery.
- 3.3 Force majeure, specifically labor conflicts, riots, disturbances, authority actions and other unforeseeable, unavoidable and serious events shall release the contracting parties from their obligation to perform for the duration of such disturbances and to the extent of their effect. The affected contracting party shall without delay notify in written or electronic form the other party on the occurrence of an event of force majeure and its expected duration. The contracting parties shall adjust their obligations bona fide to the changed conditions. However, we shall be entitled to rescind the contract without prior notice whenever our material interest in the performance of the contract loses its basis as a result of the occurrence of the event of force majeure.

4. Invoicing

- 4.1 Invoicing shall be based exclusively on our control of quantity, weight and analysis of the goods delivered.
- 4.2 Should the Supplier reduce prices in the period between the date of the purchase order and of delivery and/or improve his terms and conditions, then the prices and/or terms of conditions valid on the date of delivery shall apply.

5. Warranty Claims

- 5.1 Acceptance of delivery shall be subject to a check for defects especially correctness, completeness and usability. We will check the goods delivered for obvious defects inasmuch and as soon as this is reasonable during the ordinary course of business; any defects will be notified by us without delay after their discovery. In this respect, the Supplier shall waive any objection on the grounds of delayed notice of defect.
- 5.2 Inasmuch as the Supplier or the Supplier's subcontractors should be liable for a defect leading to liability for indemnification on our part towards third parties, the Supplier shall hold us free from the obligation to pay damages, especially due to product liability. This release shall cover all and any costs and expenses, including legal charges.
- 5.3 Where a Supplier complies with his obligation to supplementary performance by way of a compensation delivery, the limitation period for the product delivered as compensation will re-start upon its delivery unless the Supplier has expressly reserved the right to proceed to the supplementary performance only as an act of goodwill, to avoid disputes or in the interest of a continuation of the business relationship.
- 5.4 To ward off an imminent danger of substantial damage, we shall be entitled to remedy a deficiency or defect ourselves at Supplier's expense also without notice, if it is not possible to inform the Supplier of the deficiency or defect and the imminent danger and give him the opportunity to remedy it himself, on the grounds of acute urgency.
- 5.5 Unless anything has been agreed to the contrary, the limitation period for claims on the grounds of deficiencies caused by quality defects or deficiencies in title with respect to the goods delivered shall be 36 months from the transfer of risk.

6. Assignment of Receivables

- 6.1 In principle, any assignment of receivables from us to third parties shall require our prior written approval, which will not be unreasonably withheld. Such approval shall be deemed to be given in the case of extended clause of reservation of title.
- 6.2 If, contrary to 6.1 above, the Supplier assigns his receivables from us without our consent, the assignment shall nevertheless be effective. However we may, at our discretion, either make our payment to the Supplier or to the third party with discharging effect.

7. Third Parties' Intellectual Property Rights

- 7.1 The Supplier warrants that the goods delivered are free from third party intellectual property rights in Germany or, to the extent that he is informed about this, in the country of destination.
- 7.2 The contractual partners shall mutually inform each other without delay if a third party raises claims against one of them on the grounds of an infringement of its intellectual property rights.

- 7.3 Should the contractually intended use of the goods delivered infringe the intellectual property rights of a third party, the Supplier shall be obligated, without prejudice to his other contractual and statutory obligations and upon coordination with us, to either obtain the right to an unrestricted use of the goods delivered as intended under the contract from the party entitled to dispose of the property right without any additional cost to us or to alter the components of the relevant products/services concerned by the intellectual property right such that they no longer fall within the scope of protection of the in-fringed intellectual property right while at the same time meeting the contractual requirements.

8. Quality Management

The Supplier shall inform us in due time and in writing of any intended change in (a) production processes, raw and other materials for producing the goods, (b) processes and equipment for testing the goods or (c) other quality assurance measures in order that we may evaluate the potential effects on the goods to be delivered and/or the further production process. The Supplier herewith agrees to the implementation of a joint quality audit (system and/or product audit) upon our demand and with respect to the goods to be supplied. The date of such an audit shall be agreed in due time. The Supplier herewith consents to the potential presence of persons authorized by us as well as our customers inasmuch as they might be affected by the goods to be supplied. Upon our request and in accordance with our requirements, the Supplier shall implement a quality management system according to the respective applicable ISO-standards and obtain the respective certificate.

9. Packing and Marking

By providing for proper loading and suitable packing of the goods, the Supplier shall exclude any damage during transportation and storage. The packing shall be marked in conformity with statutory regulations.

10. German Toxic Substances Control Act ("Chemikaliengesetz") and other Statutory Regulations

- 10.1 In the case of substances or compositions falling under the German Toxic Substances Control Act or the EU Directive No. 1907/2006 by the European Parliament on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) in their respective valid version, the Supplier shall guarantee that the goods are in conformity with the law as well as any legal regulations based on it, in each case according to the latest version.
- 10.2 For technical tools or equivalent goods, the Supplier shall guarantee the applicable EU regulations and standards as well as any existing German statutory regulations [e.g. Gerätesicherheitsgesetz (German Law on Equipment Safety), Betriebssicherheitsverordnung (German Ordinance on Operational Safety)] will be complied with.

11. Documents and Confidentiality

- 11.1 All business or technical information made accessible by us (including characteristics to be inferred from any samples submitted) must not be disclosed to third parties as long and inasmuch as they are not demonstrably in the public domain. They may only be made available to those of the Supplier's employees who need to know them in order to fulfill the contract and who are under respective confidentiality obligations. Any information made accessible by us to the Supplier shall remain our property and must not be reproduced nor used commercially without our prior written consent except for deliveries to us. Upon our demand, all information originating from us (including any copies or records, if applicable) as well as objects let on loan shall be returned to us completely without delay or destroyed in accordance with our instructions. We reserve to ourselves all rights to such information (including copyrights and the right to apply for property rights such as patents, registered designs etc.).
- 11.2 Products made with the aid of our information, specifically drawings, models etc. or using our moulds, may not be used by the Supplier for his own purposes nor offered or supplied to third parties except for fulfillment of his contractual obligations to us.
- 11.3 Any reference to the business relationship with us for advertising purposes or as a reference towards third parties shall require our prior written consent.

12. Data Protection

Data of or received from our Suppliers will be stored and processed by us in accordance with the applicable statutory provisions if this should be necessary for the proper execution of the contractual relations.

13. Place of Performance, Place of Jurisdiction, Applicable Law

- 13.1 The place of performance for deliveries shall be the place to which the goods shall be delivered pursuant to the purchase order. The place of performance for payments shall be Frankfurt/Main.
- 13.2 If the Supplier is a businessman, a legal person under public law or a federal special fund, the exclusive place of jurisdiction for all disputes including actions in procedures deciding claims arising out of bills of exchange and checks shall be Frankfurt/Main. However, we shall be entitled to bring action against the Supplier at his general place of jurisdiction.
- 13.3 German law shall apply exclusively. The application of the United Nations Convention on Contracts for the International Sale of Goods dated April 11, 1980 shall be excluded.

14. Severability and Validity

Should individual provisions of the contract and/or these General Purchasing Conditions be or become invalid or unenforceable either entirely or in part, this shall not affect the validity and enforceability of the other provisions. The contracting parties undertake to replace the invalid or unenforceable provision by a provision which should come as close as possible to its commercial effect to the replaced one. This shall apply respectively in the event that the contract should contain a gap.