Brüggemann

General Terms and Conditions of Sale of L. Brüggemann GmbH & Co. KG

L. Brüggemann GmbH & Co. KG Salzstraße 131 74076 Heilbronn, Germany

Date: July 2019

I. General

- 1. The deliveries from L. Brüggemann GmbH & Co. KG (hereinafter "Seller") are subject solely to the following general terms and conditions of sale and delivery (hereinafter "General Conditions"). Terms Terms and conditions used by the Buyer shall not apply. They shall not become a component of the agreement even if the Seller makes delivery to the Buyer in the knowledge that there are terms and conditions of the Buver which contradict or depart from these General Terms and Conditions without expressly objecting to them.
- Deviations from and additions to these General Terms and Conditions are only valid with the Seller's express written confirmation; such changes shall apply only to the respective transaction for which they were made.

II. Offer, Conclusion of Agreements

- 1. The Seller's offers are non-binding.
- An agreement only comes into force if the Seller sends written confirmation within 14 days after receipt of the order or call-off request or delivers the order within this period.
- The Seller shall retain all title and copyright in illustrations, drawings, calculations and other offer documents. Before passing such information on to third parties the Buyer shall obtain express written consent from the Seller.
- 4. If the Seller provides the Buyer with advice this is on the basis of best knowledge. This shall not constitute a consultation agreement. Data and information with respect to the suitability and application of the product are non-binding and do not release the Buyer from its own obligation to inspect and carry out tests with regard to the suitability of the product delivered for the procedures and purposes intended by it.

III. Prices

- All prices are ex works plus packaging costs and VAT at the applicable statutory rate, unless otherwise agreed in writing.
- 2. The Seller reserves the right to amend the prices accordingly if, once the agreement has been concluded, costs increase or decrease, in particular due to the conclusion of tariff agreements, changes in the price of the material and energy used or changes to transport costs, provided delivery is not to be made within two months of conclusion of the agreement. The Buyer shall be provided with evidence of such increases in costs on request.

IV. Terms of Payment

- Unless otherwise agreed in writing, the purchase price shall be due net immediately upon receipt of the invoices and delivery and shall be paid within 10 days.
- Any discounts or rebates granted only apply to the respective order for which they were agreed in writing, unless otherwise agreed in writing.
- 3. In principle payments shall be made by bank transfer. Any transfer costs shall be borne by the Buyer. Payment by bill of exchange may only be made after obtaining prior written consent of the Seller; in any event acceptance of the bill of exchange is only on account of performance.
- 4. The Buyer shall be in default upon expiry of the payment period under IV.1, unless it is not responsible for non-payment. In the event of default of payment the Seller is entitled to demand interest at a rate of 9 %-points above the respective base interest rate. The Seller reserves the right to make further claims over and above this. If payment by instalments has been agreed and if the Buyer defaults on payment of an instalment the residual debt from the contractual relationship shall be due for payment immediately.

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- 5. The Buyer is only entitled to offset and to retention if the counterclaims are uncontested, ready for decision or have been finally adjudicated. In the case of defects in the products, the right of the Buyer to set-off and/or retention on the basis of any rights due to defects shall remain unaffected.
- 6. If the financial circumstances of the Buyer deteriorates after conclusion of the agreement or if a deterioration only becomes noticeable once the agreement has been concluded so that the payment claim of the Buyer is at jeopardy the Seller may, subject to any further claims, revoke payment targets granted and make further deliveries dependent on advanced payment or the grant of other securities. The same shall apply in the event of default in payment. The assertion of further rights remains at the Seller's discretion.
- If a party ceases to make payments or if an application for insolvency proceedings on its assets is filed the other party is entitled to rescind the part of the agreement which has not been fulfilled.

V. Delivery Dates and Periods

- Delivery dates and periods are only binding if the Seller has confirmed them expressly in writing.
- Observance of the delivery dates and periods is subject to the Buyer having fulfilled all obligations incumbent upon it.
- 3. In the case of products which the Seller does not manufacture itself, compliance with the delivery periods and dates is also subject to the Seller having being supplied in a correct and timely manner. Should it become apparent that delay is likely the Seller shall notify the Buyer as soon as possible.
- 4. The delivery time shall be deemed to have been met if, by expiry of the delivery time, the product has left the Seller's premises or if the Seller has notified the Buyer that the products are ready for dispatch.

5. If the Buyer is in default of acceptance the Seller is entitled to store the product at expense and risk of the Buyer. A fixed rate of EUR 11.50 per container and day shall be levied, unless the Buyer proves that the actual costs are less. The Seller reserves the right to assert further claims over and above this.

VI. Delay in delivery

- The Seller shall be liable in accordance with statutory provisions, provided the agreement is based on a transaction where delivery is by a fixed date and time. In this case, the Seller's liability shall be limited to the foreseeable damage typical of this type of agreement, unless the Supplier has acted with intent or gross negligence.
- 2. Under statutory provisions the Seller is also liable if the Buyer is able to justify that, as a result of a delay in delivery for which the Seller is responsible, it has no further interest in fulfilment of the agreement. In this event, if the Seller has not acted with intent or gross negligence, liability is limited to the foreseeable damage typical of this type of contract.
- 3. In the event of a delay in delivery the Buyer can demand not only delivery but also reimbursement of any loss incurred by the delay. However, provided the Seller has not acted with intent of gross negligence, this claim is restricted to 0.5% of the delivery value of the delivery concerned per week of delay and to a maximum of 5% of the value of the delivery concerned. The right of the Buyer to rescind the agreement and/or to claim damages in lieu of performance in accordance with provision XII. once a reasonable subsequent deadline has expired shall remain unaffected.

VII. Force Majeure

Force majeure, industrial action, unrest, embargoes, official measures and other external events which have no operational connection, are unforeseeable, unavoidable despite the extremely



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sensible application of due care to be expected, shall release the parties from their performance obligations for the period of the disturbance and the scope of their implications. In particular, impediments and delays arising from the due and proper compliance with public obligations in with the European Chemicals connection Regulation REACH shall also be considered to be force majeure. As far as can be reasonably expected, the parties shall provide whatever information is necessary without undue delay and obligations to the their changed circumstances in good faith. If an event of force majeure lasts for more than eight weeks each party to the agreement is entitled to rescind the agreement.

VIII. Passage of Risk, Part Delivery, Packaging

- 1. Unless agreed otherwise in writing, the risk (i) in the event that the products are handed over at the Seller's premises (collection) by the Buyer, shall pass to the Buyer upon handover to the Buyer, and (ii) in the event of collection by third parties commissioned by the Buyer, upon handover to them. If the Buyer is in delay of acceptance, the risk shall pass to the Buyer with the beginning of the delay of acceptance. If part deliveries are made this shall also apply to the respective part delivery. If, in individual cases, diverging trade clauses are agreed these shall be interpreted in accordance with INCOTERMS in the version which prevails on conclusion of the contract.
- Part deliveries are permissible for justified reason provided that acceptance of part deliveries can be reasonably expected of the Buyer.
- 3. Packaging can be returned to the works of the Seller from which the products were collected during normal business hours. Packaging shall be returned clean, free of foreign matter and contamination from other products and separated according to type of packaging. If the aforementioned duties are not fulfilled the Seller is entitled to invoice the Buyer with any extra costs for cleaning and separation which may arise. Contaminated packaging shall not

be accepted unless the product is responsible for the contamination.

IX. Reservation of Title

- The Seller reserves title in all products which it
 has supplied until full payment of all claims
 from its business relation with the Buyer has
 been received. In the event of a current
 account, retention of title shall serve as
 security for the balance due to the Seller.
- 2. The Buyer shall only be allowed to sell the products subject to retention of title ("Products subject to Retention of Title") within normal and proper business transactions. The Buyer is not entitled to pledge the Products subject to Retention of Title, grant chattel mortgages on them or make other dispositions endangering the Seller's title to such products.
- 3. The Buyer shall treat the Products subject to Retention of Title with care for the duration of the retention of title; in particular it shall insure it sufficiently against fire, water and theft at reinstatement value at its own cost. On the Seller's demand, the Buyer is obliged to provide the corresponding proof of insurance and to assign the claims arising from the insurance agreement to the Seller.
- 4. In the event of seizure or any other measure taken by third parties, the Buyer shall notify the Seller in writing without delay so that the Seller can initiate legal proceedings pursuant to § 771 of the German Code of Civil Procedure in order to prevent execution of any court order. If the third party is unable to reimburse the costs incurred by the Seller in court and out of court of a claim pursuant to § 771 of the German Code of Civil Procedure, the Buyer is liable for the loss incurred hereby.
- 5. Processing or transformation of the Product subject to Retention of Title by the Buyer shall always be carried out on behalf of the Seller. If the Product subject to Retention of Title is processed using other items which do not belong to the Seller, the Seller shall acquire co-ownership of the new item in the ratio of the value of the product delivered to the other



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processed items at the time of processing. In all other respects, the same shall apply to the new product created by processing as to the products delivered subject to reservation of title.

- 6. If the Product subject to Retention of Title is joined or irreversibly mixed using other items which do not belong to the Seller, the Seller shall acquire co-ownership of the new item in the ratio of the value of the delivered product to the other joined or mixed items at the time of joining or mixing. If the joining or mixing process takes place in such a way that the Buyer's item must be regarded as the principal item the parties shall be deemed to have agreed that the Buyer shall transfer cotitle to the Seller pro rata. The Buyer shall hold the joint ownership created in such manner in custody for the Seller.
- 7. Should the Buyer sell the Product subject to Retention of Title whether processed, joined, mixed or not in due course of business, it hereby assigns any claims arising from selling the Product subject to Retention of Title with all ancillary rights vis-à-vis its customer to the Seller; and the Seller hereby accepts such assignment. The Buyer shall retain title in the product until its customers have fully paid the purchase price.
- At the Seller's request the Buyer shall notify third-party purchasers of the assignment and provide the Seller with any information and documents which it needs to assert its rights.
- Should the realisable value of the security of the Seller exceeds the total debt claims to be secured by more than 10 % the Seller shall release security – at the discretion of the Seller – at the request of the Buyer.

X. Defects in Material

 The Buyer shall inspect the products immediately after receipt provided this is possible in the usual course of business and shall inform the Seller in writing of any obvious defects without delay at the latest however within seven days after delivery. The Buyer shall notify the Seller in writing of any defects.

- which cannot be recognized in the context of its due course of business, without undue delay after discovery of the defect. Otherwise the delivery shall be deemed to have been accepted unless defects were fraudulently concealed by the Seller.
- Should the Buyer's notification of the defect prove to be unjustified and provided the Buyer has realized this prior to the notification of the defect or has not realized it in a negligent manner, The Buyer shall be obliged to reimburse the Seller for all costs incurred in this respect, e.g. travel expenses, shipping costs or inspection costs.
- 3. If delivery is incomplete or if there is obvious external transport damage the Buyer shall notify the transport company of this on receipt of the product. Obvious external transport damage shall be notified to the transport company in written form (e.g. via fax, letter or e-mail) within seven days after delivery. The Seller shall be informed of this notification in any case.
- 4. Unless otherwise agreed, the contractually owed quality of the product shall be set out exclusively in the product specifications of the Seller applicable on delivery. Properties of samples are only binding in as far as they have specifically been agreed as a quality of the product. Such agreement shall be in written form. Information as to quality and product life and other information shall only be considered to be guarantees if they have been agreed and specified as such. Such guarantee must be confirmed in writing by the Seller's management.
- 5. If a faulty product is delivered and due and proper complaint is made in accordance with X.1. The Buyer must first give the Seller the opportunity to make subsequent delivery. The Buyer is entitled to rescind the agreement or to reduce the purchase price if the subsequent delivery is unsuccessful, the Buyer cannot be expected to accept it, is refused or is not executed within a reasonable period set by the Buyer. In the event of minor defects the agreement may not be rescinded.

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- 6. Claims as to defects shall not exist if the defect has occurred (i) for reasons for which the Buyer is responsible, in particular due to improper or unsuitable use, storage, improper or unsuitable transport, faulty or negligent handling or (ii) due to a typical change in the nature of the product that is based on environmental conditions.
- 7. The Buyer may only claim for damages in accordance with mandatory statutory provisions and the following provision in XII.
- 8. All claims for defects with the exception of any claims in accordance with XII.1(b) shall become statute-barred after expiry of 12 months after the delivery of the products to the Buyer. The limitation provisions of § 445b BGB remain unaffected.

XI. Legal Defects

- In as far as rights of third parties prevent the contractual use of the product the Buyer shall inform the Seller without undue delay of the assertion of such rights of third parties and shall give the Seller all powers of attorney and grant all authorities required to defend the product against the rights of third parties asserted at its own costs.
- 2. In as far as the rights of third parties prevent the contractual use of the product the Seller shall, at its discretion, introduce appropriate measures to eliminate the rights of third parties or the assertion thereof, procure the right of use from the third party at its cost or alter or replace the product in such a manner that it no longer infringes the rights of third parties if and in so far as the compliance of the product with the agreement is not impaired.
- 3. The Buyer is entitled to rescind the agreement or to reduce the purchase price if the subsequent performance in accordance with XI.2 cannot be expected of the Buyer, the Seller refuses it according to § 439 Abs. 4 BGB or the subsequent performance is not executed by the Seller within a reasonable period set by the Buyer. In the event of minor

- disruption to the contractual use of the product the agreement shall not be rescinded.
- 4. A claim for compensation in accordance with statutory regulations and the regulations set out in XII. can only be made if the Seller knew or should have known of the contradictory third party rights.
- 5. The Buyer cannot make the aforementioned claims if infringement of the rights of third parties is based on the Buyer's specifications and the Seller had no knowledge of the contradictory rights of third parties or such lack of knowledge was not due to gross negligence.
- All claims, with exception of any claims in accordance with XII.1(b), shall become statute-barred after expiry of 12 months after delivery of the products to the Buyer. The limitation provisions of § 445b BGB remain unaffected.

XII. Liability

- The Seller's obligation to pay damages shall be limited as follows:
- a. For damages caused by a breach of a material contractual obligation, the Seller shall only be liable up to the amount of the typically foreseeable damage at the time of entering into the agreement; the Seller shall not be liable for damages caused by a breach of a non-material contractual obligation.
- b. The limitation of liability as set out above shall not apply to damages caused intentionally or by gross negligence, culpably caused personal injuries nor to any liability under the German Product Liability Act and in case of any further mandatory liability. Furthermore, it shall not apply if and to the extent the Seller has assumed a guaranty.
- 2. The Buyer shall take all reasonable measures necessary to avert and reduce damages.
- The Buyer shall notify and consult the Seller comprehensively and without undue delay if it intends to seek legal recourse in accordance with the aforementioned provisions. The



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Buyer shall provide the Seller with an opportunity to investigate the loss.

XIII. Product Liability

If the Buyer sells the products, whether unchanged or changed, whether after processing, transformation, joining, blending or mixing with other products, the Buyer shall indemnify the Seller in their internal relationship against any product liability claims of third parties if and to the extent the Buyer was liable for the defect leading to the liability towards third parties.

XIV. Property Rights of the Seller

- The Buyer is not permitted to advertise or sell other products with reference to the Seller's products or to otherwise advertise other products using the Seller's brands.
- 2. On conclusion of the agreement the Seller shall not be granted an utilisation right in the product name, in particular in the trademarks of the Seller. When using products of the Seller for production purposes or further processing, the Buyer is not entitled to use product names of the Seller, in particular its trade marks, on such products or on their packaging or in the associated printed matter and advertising material without prior written consent of the Seller, in particular on a list of components.

XV. Final Provisions

- Amendments and additions to this agreement shall be in writing to be valid. This shall also apply to any amendment to the written form requirement.
- This agreement shall be subject to the laws of the Federal Republic of Germany and shall exclude the application of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 3. Unless otherwise expressly agreed, the place of performance for payment shall be the Seller's registered place of business.
- 4. The registered place of business of the Seller shall be the exclusive place of jurisdiction for

- all disputes arising from or in connection with this agreement and its validity. However, the Seller is also entitled to file action at the place of business of the Buyer.
- 5. If a provision in these General Terms and Conditions and any further agreements concluded should be or become invalid, this shall not affect the validity of the remaining provisions in the agreement. The parties are obliged to replace the invalid provision with a provision which reflects as closely as possible the economic purpose of the respective provision. The above shall apply in case of an omission.