

General Terms and Conditions of Purchase

Lübeck, 09.03.2015

§ 1 Scope of application

- (1) Notwithstanding any agreement in writing to the contrary, these conditions shall apply to all orders and contracts, in which LÜBECKER KUNSTSTOFFWERK is the client, purchaser or ordering customer. The conditions shall also apply to all future business.
- (2) Terms and conditions of the contractual partner are not accepted and shall not apply. No objection is required on the part of LÜBECKER KUNSTSTOFFWERK.
- (3) In respect of all goods or services, the contractual partner recognises the exclusive application of these terms and conditions of purchase.

§ 2 Ordering

- (1) An order is binding on LÜBECKER KUNSTSTOFFWERK only if it is placed in writing (letter, e-mail, fax).
- (2) The resources attached to enquiries or orders from LÜBECKER KUNSTSTOFFWERK, such as plans, drafts, data, samples, forms, models, printing blocks, manuscripts, lithographs or specimens, remain the property of LÜBECKER KUNSTSTOFFWERK and may only be used for LÜBECKER KUNSTSTOFFWERK's purposes. They are to be returned without request to LÜBECKER KUNSTSTOFFWERK at the latest with the invoice or at any time upon request at the expense of the contractual partner. The contractual partner shall bear the risk for accidental loss or accidental damage to the resources until they are returned.
- (3) LÜBECKER KUNSTSTOFFWERK shall not be required to make payment for the preparation of quotations and quotation documents (plans, technical specifications, etc.). On acceptance of the order, the contractual partner declares that it has all the necessary information, data, descriptions, plans, technical specifications and sufficient knowledge of local conditions.

§ 3 Delivery/Performance:

- (1) The delivery/performance deadline is the date given by LÜBECKER KUNSTSTOFFWERK on which the ordered goods are to be delivered to the place of delivery with all transport, customs and accompanying documents or on which the service is to be provided at the place of performance.
- (2) LÜBECKER KUNSTSTOFFWERK is entitled to refuse acceptance of an early or late delivery/performance and to return the goods for the account and at the risk of the supplier or to store these goods with third parties.
- (3) If the contractual partner recognises that it will not be possible to deliver/perform all or part of the goods/service on time, it shall give immediate notification of when the delivery/performance will be carried out (new delivery/performance deadline).

LÜBECKER KUNSTSTOFFWERK is entitled to withdraw from the contract after a reasonable period of

grace or to accept the new delivery/performance deadline.

- (4) LÜBECKER KUNSTSTOFFWERK is entitled to refuse acceptance of partial, short or excess delivery/performance.
- (5) LÜBECKER KUNSTSTOFFWERK is furthermore entitled to declare its withdrawal from the entire order in the case of divisible performance.
- (6) Delivery/performance is only provided in full if the contractual partner has submitted to LÜBECKER KUNSTSTOFFWERK all agreed documents or documents usually required (e.g. invoices, freight documents, certificates of origin, declarations of conformity, letters of guarantee, technical documents, operating instructions). Submission of these documents is a prerequisite for the payment becoming due.

The contractual partner indemnifies and holds LÜBECKER KUNSTSTOFFWERK harmless in respect of all claims which third parties, particularly customers of LÜBECKER KUNSTSTOFFWERK or authorities enforce against LÜBECKER KUNSTSTOFFWERK, because the contractual partner did not provide, or did not provide in full or in time, an agreed or usually required document to LÜBECKER KUNSTSTOFFWERK.

- (7) The contractual partner is obligated to provide LÜBECKER KUNSTSTOFFWERK immediately upon request with any information, which LÜBECKER KUNSTSTOFFWERK or a client of LÜBECKER KUNSTSTOFFWERK requires in order to provide evidence of compliance with legal or other regulations, in particular EC Directive EC-1935/2004 and EC-1907/2006 (REACH). This information includes, in particular, proof of inspections, calculations and analyses carried out, as well as the resulting values.
- (8) In the event that the contractual partner defaults, LÜBECKER KUNSTSTOFFWERK shall be entitled at all times to demand an immediate contractual penalty of 1% of the order amount for each week of default begun, up to a maximum of 10%. Losses in excess of this shall be reimbursed.

§ 4 Transport

- (1) The contractual partner shall comply with the forwarding instructions of LÜBECKER KUNSTSTOFFWERK and of the forwarder or carrier. The order number and the order date shall be stated on the forwarding papers. Together with the delivery, the contractual partner shall submit to LÜBECKER KUNSTSTOFFWERK all declarations of conformity required, in particular those relating to Directive EC-1935/2004.
- (2) Transport shall be carried out at the expense and risk of the contractual partner. The contractual partner shall also bear the costs of insurance and packaging.

§ 5 Place of delivery/performance, transfer of risk

- (1) Unless otherwise agreed, the place of delivery/performance is the LÜBECKER

KUNSTSTOFFWERK plant for which the delivery/performance is intended.

- (2) Unless otherwise agreed, the risk shall be transferred only after the goods are unloaded at the place of delivery and any service rendered at the place of performance.

§ 6 Prices, invoice and payment

- (1) Prices are fixed and include all expenses for the full delivery/performance provided.
- (2) The LÜBECKER KUNSTSTOFFWERK order number shall be stated on invoices as a prerequisite for the amount becoming due.
- (3) In the case of inadequate delivery/performance, LÜBECKER KUNSTSTOFFWERK is entitled to retain payment until performance is completed in full.
- (4) Provided that delivery/performance is free of defects and orderly rendering of accounts takes place, net payment shall be made, unless otherwise agreed, within 14 days of receipt of invoice with 3% discount or within 90 days net.
- (5) Default interest is 4% p.a.

§ 7 Warranty

- (1) The contractual partner guarantees that the delivery/performance complies with the agreement and the characteristics usually required, in particular all applicable regulations (e.g. regulations EC-1935/2004 und EC 1907/2006) and the state of the art of technology. Machinery and plant must satisfy, in particular, the functional specifications and product-specific standards for safety and operation.
- (2) The contractual partner is obligated to control the quality and quantity of its delivery/performance. LÜBECKER KUNSTSTOFFWERK's duty to examine and notify concerning defects is expressly waived.
- (3) The contractual partner is obligated to remedy defects within an appropriate period or to guarantee LÜBECKER KUNSTSTOFFWERK a price reduction, at LÜBECKER KUNSTSTOFFWERK's discretion.
- (4) In urgent cases, LÜBECKER KUNSTSTOFFWERK is entitled to remedy defects itself or have these remedied by third parties. The contractual partner shall bear the costs in this regard.

§ 8 Intellectual property rights

- (1) The contractual partner shall guarantee that no third party rights shall be violated by its delivery/performance and shall indemnify and hold LÜBECKER KUNSTSTOFFWERK harmless from all claims due to a violation of such rights.

§ 9 Non-disclosure

- (1) The contractual partner is obligated to observe secrecy regarding the business relationship with LÜBECKER KUNSTSTOFFWERK and to keep confidential all information received from LÜBECKER KUNSTSTOFFWERK even after fulfilment of the contract.

§ 10 Tools and other parts

- (1) Tools provided in full or in part at LÜBECKER KUNSTSTOFFWERK's expense shall remain the property of LÜBECKER KUNSTSTOFFWERK or are to be transferred to LÜBECKER KUNSTSTOFFWERK upon request. They may be used only for goods which are produced for LÜBECKER KUNSTSTOFFWERK or which are delivered to LÜBECKER KUNSTSTOFFWERK. The contractual partner is obligated to insure the tools at replacement value at its own expense. It hereby assigns to LÜBECKER KUNSTSTOFFWERK all rights to compensation, to which it is entitled under this insurance.
- (2) The contractual partner shall check, maintain and repair the tools at its own expense. LÜBECKER KUNSTSTOFFWERK shall be notified immediately of any loss or damage.
- (3) The contractual partner shall return the tools immediately at the request of LÜBECKER KUNSTSTOFFWERK at its own expense. The contractual partner shall bear the risk for any accidental loss or accidental damage to the tools until they are returned.
- (4) Other parts also provided by LÜBECKER KUNSTSTOFFWERK remain the property of LÜBECKER KUNSTSTOFFWERK. In the event that these parts are combined or processed, LÜBECKER KUNSTSTOFFWERK shall acquire co-ownership of the new object in proportion to the ratio of the value of its parts (purchase costs) to the other combined or processed objects.

The contractual partner shall store and administer these parts free of charge and separately, as instructed by LÜBECKER KUNSTSTOFFWERK, and shall clearly designate them as the property of LÜBECKER KUNSTSTOFFWERK. The contractual partner shall also order these parts in due time and keep them available so that it can comply with its delivery obligations towards LÜBECKER KUNSTSTOFFWERK in full and on time.

Other parts provided may only be used for goods or services produced for or delivered to LÜBECKER KUNSTSTOFFWERK. The contractual partner is obligated to insure these parts for their replacement value. It hereby transfers to LÜBECKER KUNSTSTOFFWERK all claims for compensation due to it under this insurance.

If production of the object of the contract cannot be fulfilled or only partially fulfilled, the contractual partner shall reimburse LÜBECKER KUNSTSTOFFWERK for the other parts provided by LÜBECKER KUNSTSTOFFWERK, which it used for the failed production.

§ 11 Compensation

- (1) The contractual partner shall be liable to LÜBECKER KUNSTSTOFFWERK for all losses due to a breach of the contract, in particular for loss arising from delayed or inadequate delivery/performance. The liability also applies to delivery/performance of subcontractors and sub-suppliers. The obligation to indemnify also includes product recall costs. Furthermore, LÜBECKER KUNSTSTOFFWERK is entitled to claim product liability rights, also if it uses the delivery/performance predominantly within its company.
- (2) At the request of LÜBECKER KUNSTSTOFFWERK, the contractual partner is obligated to take out liability insurance for a sum insured of at least EUR 5 million

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and to maintain this for a minimum of five years from the time of delivery/performance. It shall provide evidence to LÜBECKER KUNSTSTOFFWERK of this insurance upon request.

§ 12 Change in materials, etc., production stop

- (1) The contractual partner shall inform LÜBECKER KUNSTSTOFFWERK without request in good time and in writing of modifications to materials, production processes, formulations, suppliers and supplied parts. It may only change materials, production processes, formulations, suppliers and supplied parts after prior approval by LÜBECKER KUNSTSTOFFWERK in writing. In the case of modifications to materials or formulations, it shall submit a new declaration of conformity to LÜBECKER KUNSTSTOFFWERK without request.
- (2) The contractual partner shall inform LÜBECKER KUNSTSTOFFWERK in writing at least six months before terminating the production of parts relevant to LÜBECKER KUNSTSTOFFWERK or the cessation of operations in order to give LÜBECKER KUNSTSTOFFWERK the opportunity to ensure adequate stocktaking.

§ 13 Minimum Wage Law liability exemption

- (1) The Contractor commits himself towards the Contracting Party to pay the minimum applicable wages and to fulfill all other pecuniary claims arising from the Minimum Wage Law or the Employee Assignment Law. These obligations also include punctual payment of minimum wages.
- (2) The Contractor will exempt the Contracting Party from liabilities regarding minimum wage and all other pecuniary claims that could arise in the event of infringements by the Contractor. This exemption also applies in cases where employees of a Sub-Contractor appointed by the Contractor invoke the Minimum Wage Law.
- (3) In the event that a Sub-Contractor is ordered by the Contractor to fulfill an activity, then a written consent by the Contracting Party must be obtained prior to commencement of said activity. Once this written consent has been issued, the Contractor must impose the same terms regarding minimum wage stipulated in this contract onto the Sub-Contractor and supervise that they are complied with.
- (4) In case the Contractor acts contrary to his obligation to pay the minimum wages in time, the Contracting Party has to attempt remedy by giving due notice of a payment deadline or a cease and desist letter. When

these fail, the Contracting Party has the right to terminate this contract without further notice. Moreover, he has the right to retain due payments to the Contractor.

§ 14 Final provisions

- (1) Whenever the customer is a merchant, our business location is the place of jurisdiction; we are however entitled also to sue the customer at a place of residence.
- (2) All legal relations are subject to the law of the Federal Republic of Germany; the UN Convention of Contracts shall not apply.
- (3) Our business location is the place of fulfilment in case that the order confirmation does not bring out any other information.

It is agreed that the international court of arbitration of the Chamber of Commerce of Austria in Vienna shall be responsible for all cases outside the scope of this jurisdiction. The place of arbitration shall be Vienna, Austria. The language of arbitration shall be German. If the contract is drawn up in a language other than German, English shall be the language of arbitration.

In both cases, however, LÜBECKER KUNSTSTOFFWERK shall be entitled to bring the contractual partner before another competent court.

- (4) If the contract is also drawn up in English, the English text shall prevail for the interpretation of the contract and these terms and conditions.
- (5) Should any provisions of the contract or of these terms and conditions be or become invalid or unenforceable, this shall not affect the rest of the contract and the remaining terms and conditions. Invalid or unenforceable conditions shall be deemed to have been replaced by provisions which reasonable parties would have agreed in their place to achieve the intended economic purpose.
- (6) The contractual partner may use LÜBECKER KUNSTSTOFFWERK and/or its delivery/performance for LÜBECKER KUNSTSTOFFWERK for advertising purposes or as a reference only with the prior approval of LÜBECKER KUNSTSTOFFWERK in writing.
- (7) The contractual partner agrees that LÜBECKER KUNSTSTOFFWERK may record and process its data using EDP (automatically).