

General Terms and Conditions

(on the Internet at: www.tillmann-gruppe.de)

Dated: January 2015

1. APPLICATION AND GENERAL TERMS

- a) Our General Terms and Conditions (GTC) are also valid in those cases where - in the context of an ongoing commercial relationship - we do not refer to them explicitly in subsequent agreements. Conditions in opposition to or diverging from our GTC are only binding for us to the extent that we have explicitly agreed to them in each individual case.
- b) Our offers are non-binding; orders and other agreements thus only become valid through written confirmation, or upon the handing over of the goods.
- c) If planning documents are sent electronically, they are only regarded as binding if we have explicitly confirmed that they have been received in their entirety.
- d) If we hold production capacities available at the customer's request and delayed execution or non-execution occurs due to reasons attributable to the customer, the customer shall be liable for the resulting damages.

2. DELIVERY

- a) The delivery is performed from our company headquarters, which is also the place of fulfilment. The goods will be sent to a different destination at the request and expense of the customer (address other than the place of performance). Each delivery is made for account of and at the risk of the customer. Unless otherwise agreed, we are entitled to determine the method of shipping ourselves (in particular with respect to the transport company, shipping route and packaging).

We reserve the right to perform partial deliveries, unless otherwise agreed. Objections against partial deliveries do not release the purchaser from the obligation to accept the remainder of products ordered as stated in the agreement.

We are, however, only entitled to make partial deliveries if the partial delivery is usable by the purchaser within the framework of the contractually intended use, delivery of the remainder of goods is safeguarded and the purchaser is not subjected to considerable additional work or costs (unless we agree to bear these costs).

Deliveries abroad require specific agreements. The supplier is not obliged to send goods sold for domestic use abroad.

- b) Stipulated delivery dates always relate to the provision of the goods for handing over/dispatch from the plant or distribution centre.

- c) Raw material or energy shortages, strikes, legal lockouts, traffic problems and official directives, as well as a non-adherence to delivery dates by our suppliers, plant interruptions, any events of force majeure and other circumstances we or a company working for us are not responsible for, shall release us from any delivery obligation for the time of their existence, provided they affect our ability to deliver. Furthermore, in case of any of the aforementioned events we are entitled, notwithstanding no. 8 of these GTC, to withdraw from the agreement without any obligation to indemnify, if the performance has become impossible or unreasonable or an end to the performance hindrance cannot be expected. The customer will be informed immediately. Payments already made by the customer will be refunded immediately. We are also entitled to withdraw if, after order confirmation has been given, extraordinary increases (20 % and more) in raw material and energy prices occur that have an effect on the selling price. Should we become aware of facts or circumstances which cast doubt on the solvency of the purchaser (especially non-payment of overdue invoices for which a reminder has been sent, petitions for insolvency proceedings) and the purchaser is not willing to make a sufficient security payment despite having been requested to do so, we are entitled to withdraw from the agreement in part or in its entirety without any obligation to indemnify, taking no. 7 of these GTC into account.
- d) Should the goods provided not have been accepted by the stipulated delivery date or within the delivery period, they will be considered as approved / accepted as of the end of the fifth business day after the delivery date or end of the delivery period. If the purchaser demands inspection of the goods according to certain criteria this acceptance procedure takes place at the supplier's plant. Any costs relating to the acceptance procedure shall be borne by the supplier, personal travel and accommodation expenses relating to the acceptance procedure shall be borne by the customer.
- e) Contractual penalties are only effective against us if they have been stipulated in each individual case by means of a special agreement.
- f) Packaging materials brought into circulation by us are taken back at our production sites as provided by law, as long as they have been emptied completely, are clean and sorted, and are delivered by the customer or at the customer's expense.
- g) If the customer delays acceptance or violates any other obligations to cooperate, we are entitled to demand compensation for the resulting damages including any possible additional expenditure. Compensation shall be calculated as a lump sum of 25% of the purchasing price. Any additional damage that we can prove is unaffected by this compensation. It is the customer's responsibility to prove that a lower damage or no damage at all was caused.

3. QUALITY DEFECTS

- a) In the first instance we are always to be provided with an opportunity to fulfil quality requirements subsequently within a reasonable time-period.
- b) Warranty claims expire 12 months from delivery. If an acceptance procedure has been agreed, the expiry period begins at the time of acceptance. This shall not apply if longer periods apply according to section 438 subsection 1 no. 2 (buildings and

objects used for buildings), section 479 subsection 1 (recourse claim) and section 634a subsection 1 no. 2 (building defects) of the German Civil Code (BGB). There is no warranty for second-hand products.

- c) In case of quality complaints the customer may only withhold payments to an extent that is in reasonable proportion to the quality defects concerned.
- d) Warranty shall be excluded in cases of merely insignificant divergence of the quality of the delivered goods from the agreed quality, in cases of only irrelevant impairment of the usability, in cases of natural wear and tear, and in cases of defects created after the passing of risk due to improper, careless or excessive use, inappropriate equipment, deficient building work, an unsuitable building site, or through particular external influences that are not stipulated in the contract, and in cases of reproducible software faults.
- e) The customer's warranty rights require fulfilment of the customer's duty to inspect and complain under sections 377 and 381 of the German Commercial Code (HGB). Complaints relating to visible defects, incorrect deliveries or faulty quantities must be filed in writing immediately. Any complaint and assertion of justified claims must always be made prior to processing, connecting or mixing the goods. Should the customer fail to report a fault in the way just described, we are not liable for the non-reported fault.

Hidden faults must also be reported immediately upon their detection and any warranty claim made in writing. The customer must give us the opportunity to inspect the fault ourselves and/or to have it inspected by experts on our behalf. We shall be entitled to do so if the customer does not provide us with credible information that immediate action has to be taken due to imminent danger. In order to determine who shall bear the costs for involving an external expert, a written agreement is required in each case.

- f) Any claims of the customer arisen from expenses required for subsequent fulfilment, especially transport costs, fare payments, labour costs and costs for materials are excluded, in as much as expenses increase because the item of delivery is subsequently transported to a location other than the customer's establishment, unless this shipment is in line with the goods' normal use.
- g) Any legal claims of recourse of the customer against us only exist to the extent that the customer has not entered any agreements in excess of statutory warranty claims with his purchaser. Regarding the extent of the customer's right of recourse against us letter f) is moreover applicable.
- h) Regarding claims for damages no. 8 (other damage compensation claims) is furthermore applicable. More far-reaching or other claims of the purchaser against us and our subcontractors than those provided for under no. 3 because of a material defect are excluded.

4. INDUSTRIAL TRADEMARKS AND COPYRIGHTS; DEFECT OF TITLE

Unless otherwise agreed, we are only obliged to provide delivery free of industrial property rights and copyrights (hereafter: property rights) in the country of delivery. If a third party justifiably lodges claims against the customer due to trademark violations relating to contract-compliantly used deliveries of us, we are only liable to the client within the time period specified under no. 3 letter b) if we are responsible for the violation.

5. IMPOSSIBILITY; CONTRACT ADAPTATION

- a) If delivery is impossible, the customer is entitled to demand compensation unless we are not responsible for the impossibility. However, the customer's entitlement to compensation is limited to 10% of the value of the proportion of the delivery rendered unusable by the impossibility. This limit does not apply where liability is mandatory in cases of intent, gross negligence, or damage to life, body or health. The customer's right to withdraw from the contract remains unaffected.
- b) If unforeseen events within the meaning of no. 2 letter c) considerably change the economic significance or content of the delivery, or considerably impact our operational procedures, the contract shall be adapted to a reasonable extent by mutual consent and in good faith. If this cannot be justified economically, we are entitled to withdraw from the contract. If we wish to avail ourselves of this right to withdraw, we shall be required to notify the customer immediately upon recognising the significance of the event, even if nothing had been agreed initially.

6. PRICES AND PAYMENT CONDITIONS

- a) Unless otherwise agreed, prices are understood ex-factory and/or distribution warehouse, excluding freight, packaging and VAT.
Our invoices become due at the registered office of our company immediately following delivery. Separate agreements are required for cash discounts and other price reductions.

By reimbursing the partial costs for tools, the customer does not acquire rights to these tools.

- b) If we have agreed to perform the installation or assembly and no other agreements exist, the customer shall pay all additional costs, such as travel expenses, expenses for transporting work equipment and personal luggage as well as accommodation expenses, in addition to the agreed remuneration.
- c) Bills of exchange and cheques are only accepted on account of performance. Discount and collection charges and all other expenses shall be borne by the customer and are payable immediately in cash.

The entirety of outstanding invoices shall become payable immediately whenever the customer falls into arrears with any payment. The same shall apply if the conditions set out under no. 2) c) paragraph 3 apply or any circumstances become known that cast well-founded doubts upon the customer's creditworthiness.

In case of delayed payment we are entitled to make further deliveries and/or services conditional on advance payment or security payments, to demand damages for delayed performance or to withdraw from the contract. This shall not apply if the customer has made a justified complaint regarding the delivery. We are furthermore at liberty to return accepted bills of exchange before maturity and demand immediate cash payment.

7. SECURITY INTERESTS

- a) We retain title to all goods delivered by us until all our claims - irrespective of their legal grounds and date of origin - arising from the business relationship with the customer have been settled, until a possible current account balance has been settled, and, if cheques or bills of exchange were accepted, until their cashing in or honouring, respectively. The customer may process and/or resell the materials delivered by us in the course of proper business operation. This right of resale does not apply if the customer has agreed a non-assignment clause with his customers. The customer is required to treat any goods subject to reservation of title with care. In case of infringement, we are entitled to demand the immediate relinquishment of the goods.
- b) As long as the reservation of title exists, any processing of the goods subject to reservation of title is performed on our behalf. We are entitled to ownership or co-ownership, sections 947, 950 of the German Civil Code, of the new object thereby created. If goods subject to reservation of title are connected and/or mixed with other objects, we are entitled to co-ownership of the objects according to the ratio between the value of the goods subject to reservation of title and that of the other objects at the time of the connecting and/or mixing, section 948 of the German Civil Code. The objects created by processing, connecting and/or mixing are considered goods subject to reservation of title within the meaning of these provisions. The customer shall hereby cede to us any claims against his customers arising from the resale of the goods subject to reservation of title, including all ancillary rights. If the goods have been processed, connected and/or mixed, the value is determined in proportion to the value of goods delivered by us. We accept the transfer.
- c) At our request the customer is required to inform his debtors of the transfer and provide us with the required information and documents immediately upon falling into arrears. If the value of the goods subject to reservation of title or the security deposit provided to us exceeds the value of our claims by more than 10%, we are required to release the goods or retransfer the funds accordingly at the customer's request.
- d) If the delivered goods or objects manufactured from them are installed on the piece of land of a third party in such a way that they become an integral part of that piece of land, the customer cedes to us the claims against this customer which substituted for these objects to an amount equalling the purchase value of our installed goods in order to secure our claims. We accept the transfer. It is agreed that the transfer of this

claim takes place at the time of the claim's creation.

- e) The customer is not entitled to pawn or pledge as security goods subject to reservation of title and must notify us immediately of any levy of execution instigated by a third party.
- f) The taking back or the assertion of the reservation of title does not require termination of the contract. Such activities or any levy of execution of the goods subject to reservation of title by us do not mean a withdrawal from the contract, unless we explicitly declare such a withdrawal.

8. OTHER DAMAGE COMPENSATION CLAIMS

- a) Claims for damages and reimbursement of expenses made by the customer (hereafter: compensation claims), irrespective of their legal foundation, especially due to breach of obligations arising from the contractual relationship or due to tort are excluded, even if they have arisen because of subcontractors employed by us, unless stated otherwise below.
- b) This does not apply where liability is mandatory, for instance under the German Product Liability Act, in cases of malicious intent, gross negligence, injury to life, limb or health, or due to violation of major contractual obligations. However, a claim for compensation with regard to a breach of major contractual obligations shall be limited to contractually typical, foreseeable damage, unless wilful intent or gross negligence exists or liability is assumed for injury to life, body or health. The above provisions do not involve a change to the burden of proof to the customer's disadvantage.
- c) If the customer is entitled to compensation claims, these claims expire at the end of the expiry period valid for warranty claims according to no. 3 letter c).

9. OFFSETTING/RIGHT OF RETENTION

A set-off by the purchaser against counterclaims is excluded, unless the counterclaims are undisputed or have been established as final and absolute. The assertion of a right of retention by the purchaser is excluded, unless it is based on the same contractual relationship or the counterclaims are undisputed or have been established as final and absolute.

10. CONSULTANCY

- a) Technical consultancy is not covered by the delivery contract and is only binding to the extent that it is provided in writing and contractually agreed.
- b) Any construction documents and other proposals, drafts, drawings and tools, as well as other documents provided by us, remain our property and may not be made available to third parties or copied - not even in excerpts - without our approval.

11. FINAL PROVISIONS

- a) The place of fulfilment for all mutual obligations is our company headquarters.
- b) If the provisions of section 38 of the German Code of Civil Procedure (ZPO) apply, the courts with jurisdiction at the registered office of our company shall be competent.
- c) The contractual relationship is governed by German law, excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- d) Should any individual provision be or become legally ineffective or inexecutable, the validity of the remaining provisions shall remain unaffected. In such a situation statutory provisions shall apply in addition.