

## Standard Terms and Conditions

For the purpose of these Standard Terms and Conditions, merchants (*Kaufleute* as defined by German law) shall mean (a) merchants who become active within the framework of their commercial activities, (b) legal persons governed by public law, (c) special funds governed public law.

1. By awarding the contract, the customer states that it agrees to our Standard Terms and Conditions. Silence with respect to the customer's Standard Terms and Conditions (if any) shall under no circumstances be deemed to be acceptance thereof. In particular, delivery or furnishing the contractual performance shall not constitute implied acceptance of the customer's Standard Terms and Conditions. With regard to merchants, these Standard Terms and Conditions shall also apply to any future business relations between the parties. Amendments, collateral agreements or supplements to the Standard Terms and Conditions shall be subject to our written confirmation.
2. Our quotations are subject to change and are not binding. Documents belonging to the quotations such as illustrations, drawings, data on weights or dimensions or any technical information, as well as technical standards and samples referred to in such documents merely indicate the subject matter of the contract and only constitute a warranty of quality if there is corresponding written confirmation. All prices are given for delivery ex works including loading at the factory, with standard packaging. They do not include VAT. A credit of 2/3 of the applicable amount stated in the invoice will be granted for wood pallets for standard formats if they are returned carriage paid. Quotations are based on the current state of technology and the relevant regulations for the prevention of accidents, safety-technical provisions etc. at the time the quotation is submitted. Any additional costs must be reimbursed to us on a cost-price basis in the event of interim changes before the contract has been formed or before delivery has occurred. We are entitled to increase the contract price by an appropriate amount if the goods are delivered or the service is performed later than 4 months after conclusion of the contract and if wages, the cost of materials, supplier prices or transport costs increase after the contract has been formed.
3. Our written confirmation of order shall be definitive for the content and scope of the contract. Collateral agreements, amendments, supplements etc. shall be subject to our written confirmation.
4. Invoices shall be issued on the day the goods are dispatched or the day on which delivery of the goods is taken. They are payable free of expenses in the currency of the contract, and without deductions if paid within 30 days from the date of invoice, or less a 2% discount from the value of the unpacked goods if paid within 10 days. Orders which are sub-contracted are payable without deduction immediately after receipt of the invoice. If there has been specific agreement in an individual case to accept cheques or bills of exchange, this shall only be on account of payment, with crediting on the value date, subject to receipt. We shall not be responsible for the prompt presentation or prompt protest against bills of exchange. The customer shall bear the costs of discounting and collecting bills. If the customer defaults, it must pay us interest pursuant to Section 288 of the *Bürgerliches Gesetzbuch* (German Civil Code - BGB). If we have several claims against the customer, we shall determine which debt is discharged by the payment (even in the case of allocation to a current account).
5. The customer may only make a set-off against our claim if it has a claim with the force of a final judgment or a claim which we have specifically acknowledged. This also applies, with regard to merchants, to the assertion of rights of retention to the amounts specified in our invoices.
6. If, after concluding the contract, we become aware of circumstances which are likely to reduce considerably the credit-worthiness of the customer, or if the terms of payment agreed are not observed, we shall be entitled at our discretion to demand that all claims we have against the customer in connection with our business relationship are due, or to demand that security be provided. If we have accepted bills of exchange, we may assert that these are due without giving any reasons, or return them and demand immediate payment in cash instead. Furthermore, we shall be entitled to cancel the part of the contract which has not yet been performed, or to demand advance payment in cash or security for any further deliveries.
7. Adherence to time limits and dates shall be subject to final clarification of any technical details and, if necessary, the punctual supply of specifications to be notified or any documents, consents, releases etc. to be obtained by the customer, and the fulfilment of any other requirements necessary and, where required, the receipt of the contractually agreed deposit. If any deliveries are not made or services are not provided as a result of circumstances for which we are not responsible, including stoppages, strikes, lock-outs, traffic delays or other unforeseeable obstacles which affect us or our suppliers, we shall be entitled to make the delivery later by the corresponding length of time, or to cancel the contract in whole or in part. This shall not entitle the customer to claim compensatory damages. This shall also apply if any of the above events occurs at a time when we are in default. The customer shall be entitled to cancel the contract if there is a delay in delivery which is unreasonable for it, but shall not be entitled to claim compensation. If there is a delay in delivery or performance, the customer shall be entitled to cancel the contract after giving us a reasonable grace period of at least two weeks. The notice of cancellation must be in writing. If the delay relates to one part of the delivery or performance, the cancellation right shall also be restricted to the affected part if, on an objective assessment, the rest of the contract is not affected by limiting the cancellation right in this way. In respect of merchants, liability to pay compensatory damages in the event of delay is limited to compensation for damage resulting from delay in the sum of 0.5% of the value of the affected (partial) delivery or performance for each full working week of delay, up to a maximum of 5%. In respect of other parties to the contract, liability to pay compensatory damages in the event of delay is limited to intent and gross negligence.
8. We shall be entitled to make partial deliveries and also to make advance deliveries if prior notice is given.

9. Clearance of all goods which we dispatch shall be at the risk and expense of the customer. Transport insurance shall only be taken out on express instructions by and at the cost of the customer. If a consignment of goods is damaged or incomplete, a report of the relevant facts must be made immediately after receipt. The risk of accidental loss shall pass to the customer when the goods are transferred to the party engaged to transport them, however, no later than the time they leave our factory. This shall also apply if and to the extent that the goods are dispatched using our own means of transport. If dispatch is delayed due to fault on the part of the customer or because the customer fails to co-operate when it had an obligation to do so, risk shall be transferred to the customer on the day notification is given that the goods are ready for dispatch. We are entitled to store the goods at the cost and risk of the customer or to charge our own storage expenses. Forwarding instructions by the customer shall only be binding if they were agreed in writing. Otherwise we shall make the deliveries as we deem best and with no liability for the mode of dispatch chosen. Additional costs if the customer requests expedited dispatch, or for another mode of dispatch or use of another means of transport, shall be charged cash on delivery or invoiced to the purchaser.
10. The following provisions apply to our warranty and other liability for defects in deliveries or shortcomings in services, including mistaken deliveries or incorrect services. If the customer is a merchant, complaints about our deliveries or services, including mistaken deliveries, must be made to us in writing within one week after receipt of the goods or performance of the service or, where there is a concealed defect, within one week of discovering the defect. Our liability under the warranty shall lapse if the items we have delivered are repaired or altered without our assistance, or if maintenance or assembly instructions were not followed. The customer shall only have the right to remedy the defect itself or to have it remedied by a third party in urgent cases where industrial safety is in jeopardy. We must be notified immediately of such cases. In this event, the costs which we would have incurred to remedy the defect will be reimbursed to the customer. If products are manufactured according to construction documents received from the customer, we shall only be liable for the actual manufacture. The customer shall be under an obligation to indemnify us against any claims for damages brought against us by a third party under the law concerning liability, the causes of which were not in our area of manufacture but were the responsibility of the customer. Where damages were caused by another manufacturer's products, our liability shall initially be limited to the assignment of the claims we have against the supplier, contractor etc., and shall only be subsidiary liability. If a complaint about a defect or shortcoming is justified, with the exception of the absence of a guaranteed feature, we shall remedy the defective delivery or service within a reasonable period. Alternatively, where appropriate, we shall be entitled to provide a substitute delivery, in exchange for the return of the goods subject to complaint, excluding removal, assembly or installation costs. In the case of replacements or rectification, we shall be liable (a) in the same way as for the original delivery or service, (b) until the end of the warranty period applying to the original delivery or service, however for a minimum period of 3 months from completion of the rectification or provision of the replacement delivery or service. The customer shall be under an obligation to allow us the opportunity to rectify the defect within normal working hours, after prior arrangement. If there is neither rectification nor a replacement delivery, the customer shall be entitled, after the end of a grace period of 5 working days, to cancel the contract or to reduce the price by an appropriate amount, such reduction being commensurate with the significance of the defect. In all cases where a complaint about a defect or shortcoming is justified, claims which go beyond the claim for rectification or replacement (e.g. compensation under the warranty, or for breach of contract by a positive act, fault during the contract negotiations, tort or due to impossibility, delay, failure of or failure to carry out the rectification or replacement) are, in the case of merchants, limited to intention or gross negligence by our corporate entities and senior employees or by our servants or vicarious agents (*Erfüllungs- oder Verrichtungsgehilfen* as defined by German law). With regard to other parties to the contract, liability shall be limited to intention and gross negligence by our corporate entities or staff or our servants or vicarious agents. We shall only accept liability for guaranteed features if we specifically state in writing that we shall do so. The above paragraph shall apply *mutatis mutandi* for liability for failure of guaranteed features with regard to merchants. With regard to other parties to the contract, the right to cancel the contract or to reduce the price is replaced by a claim for rectification or replacement according to the relevant provision in the above paragraph. If separable deliveries or services are affected, or if the defect affects only parts of a functional unit, then the cancellation right shall be restricted to the part affected. The assertion of warranty claims shall not affect existing payment obligations and dates for payment. Non-merchants may only assert warranty defences to the extent appropriate considering the defect. If the customer fails to fulfil its payment obligations or does not meet the dates for payment, our obligations above will be suspended until it has fulfilled such obligations.
11. Goods delivered shall remain our property until payment in full of all debts due and owing to us in connection with our business relationship, including any future debts (regardless of the legal basis for such claims, i.e. including any claims arising out of bills of exchange and claims acquired from third parties). As regards current accounts, our security shall be deemed to be security for the account balance in question. If the customer acquires sole or joint ownership by linking, blending, combining or processing or machining our delivery (with other deliveries), then we shall have ownership in proportion to the value of our delivery compared with the other linked, blended or combined items. Processing or machining pursuant to Section 950 of the BGB shall take place on our behalf, but we shall not be under any obligation thereby. If this clause conflicts with any clauses of the parties which supplied further individual parts used, the processing shall be undertaken jointly for all and our share shall be determined by the proportion which our delivery bears to the remainder. Custody shall in all cases be free of charge. The value of our delivery shall be determined according to our delivery price including VAT and without any deduction of cash discount. Exploitation or transfer of ownership by way of security of the goods delivered by us or in our joint ownership shall be prohibited until all pecuniary claims we have against the customer under the business relationship have been satisfied. Furthermore, the goods delivered by us may not be resold unless the customer acquires them for the purpose of resale. In this event, it is entitled on a revocable basis to resell the property subject to the reservation of title ( reserved goods ) in its own name within the scope of the ordinary course of business, provided that the debt due from the resale is assignable. In the case of disposals within the scope of current account transactions, our extended reservation of title relates to the current account claim or, after balancing the accounts, to the claim for the balance. The power of disposal shall lapse on default in payment, application for or commencement of composition or bankruptcy proceedings, or the introduction of judicially enforced receivership. Disposal in terms of this paragraph shall also mean the installation of

the reserved goods into real property or into any construction, and the use to fulfil other contracts of manufacture or contracts for work and materials.

If the reserved goods are disposed of, the customer assigns to us the claims arising out of the resale up to the value of the reserved goods which we have delivered, together with all subsidiary rights. This shall also apply to cases in which a resale was not permitted in terms of the above restrictions. We hereby accept such assignment. The value of our reserved goods shall be determined from our delivery price including VAT and without any deduction of cash discount. The customer is entitled on a revocable basis to collect the debts due even after the assignment. This shall not affect our authority to collect the debts due ourselves. However, we undertake not to collect such debts as long as the customer is properly fulfilling its payment obligations. The customer, or its successor, administrator in bankruptcy or composition must, upon our demand, notify us of the debts assigned and the debtors and their addresses, provide all details required for collection, hand over the relevant documents and notify the debtor of the assignment. We are authorised to notify the third party debtor of the assignment of debt on behalf of the customer. If the reserved goods are taken back, this is not to be regarded as cancellation of the contract. The contract shall only be cancelled if we specifically state so in writing. We are under no obligation to allow any period of grace prior to taking back the goods. If the securities we have on the basis of the retention of title exceed the value of the claims secured by more than 25% then we shall release the securities by the same amount upon request.

12. If SIMONA consents to a partial acceptance, then an advance payment must be made of at least 10% of the value of the delivery which has not been accepted. This shall not affect our right to claim that our loss was greater if this can be proved.
13. If we agree with the customer that we shall take back deliveries, then this shall be limited to 2 years. Only the items specifically stated in the delivery may be returned. Any products which are damaged or whose original packaging is damaged shall not be taken back. The customer shall be solely responsible for dispatching the goods to be returned, and this shall be at the customer's risk and expense. The customer shall be reimbursed for the goods returned, less a markdown of at least 25% of the value of the goods.
14. The customer may not assign claims which it has against us in connection with the business relationship.
15. We shall be liable only for intentional or grossly negligent conduct by our corporate entities or senior employees or our servants or vicarious agents. We will not be liable for other servants and vicarious agents (*Erfüllungsgehilfen* as defined by German law). In respect of non-merchants (*Nicht-Kaufleute* as defined by German law), liability is restricted to intention or gross negligence by our corporate entities or other servants and vicarious agents (*Erfüllungsgehilfen* as defined by German law). Apart from that, no claims may be made for compensation for fault during the contract negotiations, for breach of contract by a positive act, for tort or secondary contractual obligations (e.g. advice or clarification on quality, possible uses, servicing requirements etc.). We shall only be liable in particular for advice if there was a separate written agreement for remuneration for such advice. Our other servants and vicarious agents (*Erfüllungsgehilfen* as defined by German law) are not liable against non-merchants for slight negligence (*leichte Fahrlässigkeit* as defined by German law), only for cases of intent.
16. The place of performance for all deliveries and payments is Kirn, Germany (post code 55606).
17. In respect of registered fully qualified merchants (*Vollkaufleute* as defined by German law) in terms of commercial law, legal persons governed by public law and special funds governed by public law, the Regional Court (*Landgericht*) of Bad Kreuznach is agreed as the court for any claims arising out of the business relationship. This also applies to claims relating to bills of exchange and cheques, and for claims in tort, third-party complaints and proceedings restricted to documentary evidence. However, we are also entitled to bring actions against the customer in the court where it has its registered office or domicile.
18. German law shall apply to the contractual relationship. The Uniform Law on the International Sale of Goods shall not apply.
19. If any of the above provisions should be void in whole or in part, this shall not affect the validity of the remaining provision(s) or the contract. These Standard Terms and Conditions are a translation from German into English. In the event of any conflict or inconsistency between the English and the German versions, the German original shall prevail. Only the German version shall be deemed authoritative.