

General Terms and Conditions of business for Gehr GmbH & Co. KG

1. Scope

1.1 These General Terms and Conditions (GTC) shall apply to all contractual relationships of GEHR GmbH & Co. KG (hereinafter referred to as: GEHR) with its Contractual partners and any person which receives services or products from GEHR or which delivers services or products (hereinafter referred to as: Goods) to GEHR (hereinafter referred to as: Contractual partner). The GTC shall apply only if the Contractual partner is an entrepreneur within the meaning of Section 14 of the German Civil Code, a legal person constituted under public law or a public sector funding company.

1.2 These GTC shall be exclusively applicable. Any general terms and conditions of the Contractual partner that depart from, conflict with or supplement the GTCs shall not apply.

2. Offer and conclusion of agreement

2.1 Offers of GEHR shall be subject to change and shall not constitute binding offers.

2.2 Agreements are concluded by either Contractual partners accepting the offer of GEHR and GEHR confirming it (either explicitly or by performing/delivering the ordered Goods), or by GEHR accepting the offer of a Contractual partner.

3. Prices and Payment Conditions

3.1 All prices in the offers of GEHR are net prices in Euros plus value added tax unless explicitly noted otherwise. Unless explicitly agreed otherwise in writing, the price list of GEHR at the time of the conclusion of the agreement shall be applicable.

3.2 Insofar as manufacturing costs have increased substantially after the conclusion of the contract, GEHR shall be entitled to adjust the price accordingly. An increase in manufacturing costs pursuant to the aforementioned clause occurs if (i) the price for raw material and/or components, (ii) customs duties or (iii) other import charges have increased. Any price adjustment amounting to more than 20 percent of the initially agreed price for the product entitles the Contractual partner to cancel the binding order within 2 weeks after the price increase has been notified to the Contractual partner.

3.3 If GEHR has undertaken to carry out the installation or assembly, and unless agreed otherwise, the Contractual partner shall bear all necessary ancillary costs, including, without limitation, travel expenses, costs for the transport of tools and of personal luggage of persons appointed by GEHR as well as allowances.

3.4 Any custom duties, fees, taxes and other public charges shall be borne by the Contractual partner. GEHR shall not accept the return of any transport packaging subject to the German Packaging Ordinance; these shall become the property of the Contractual partner.

3.5 Payments must be made feeless GEHR's paying office. Prepayments made to GEHR for the purpose of preordering work material and tools required for the performing/delivering of Goods as agreed upon and payments for manufacturing slots are not refundable in case of a cancellation of the contract, unless GEHR is responsible for the cancellation.

3.6 Invoices of GEHR shall be payable in full within 20 days, latest upon receipt of the Goods. The Contractual partner shall be in default of payment upon expiry of such payment period. Interest shall be payable on the price for the duration of the default at a rate of 8 percent above the base rate of the European Central Bank, subject to a minimum of 12 percent p.a. GEHR reserves the right to assert

Claims in respect of default losses in excess of such interest. This shall be without prejudice to GEHR right to claim commercial default interest from business persons (Section 353 of the German Commercial Code, HGB).

3.7 The Contractual partner shall have the right to offset against Claims only if its counterclaim has been established by a final and binding decision or is undisputed. The same shall apply to the right of retention, the valid exercise of which shall further require that the counterclaim of the Contractual partner must arise under the same contractual relationship.

4. Terms and Conditions of Delivery

4.1 Unless explicitly agreed upon otherwise in writing, it shall be at GEHR's discretion to choose the type of delivery (including, without limitation, the transport company, method of delivery, packaging). Delivery by GEHR in installments shall be permissible insofar as this is reasonable for the Contractual partner.

4.2 Provided no explicit, written agreement has been concluded, all delivery / completion times given by GEHR are not binding and any delay of GEHR shall in particular not entitle the Contractual partner to any damages or a right to rescind.

4.3 In case that binding delivery / completion times have been explicitly agreed upon in writing, the Contractual partner acknowledges these times can only be observed by GEHR if all documents to be supplied by the Contractual partner, necessary permits and clearances, especially concerning plans, are received in time, and if agreed terms of payment and other obligations are fulfilled by the Contractual partner. If these conditions are not fulfilled in time, GEHR shall be entitled to extend the times by a reasonable degree; this shall not apply where GEHR is responsible for the delay. If the failure to observe these times is due to force majeure such as mobilization, war, civil unrest or similar events, e.g. strike or lockout, GEHR shall be entitled to extend the times by a reasonable degree.

4.5 If dispatch or handover of Goods by GEHR is delayed at the Contractual partner's request by more than one month after notice of the readiness for dispatch was issued, the Contractual partner may, for every commenced week after the one-month-period, be charged storage costs of 1 % of the price of the Goods to be delivered, but no more than a total of 100 %. The parties to the contract reserve the right to prove that higher or lower storage costs have been incurred; the fixed-sum storage cost is to be applied against any more extensive monetary claims.

4.6 Shipping of Goods is at the Contractual partner's own risk and costs. Costs for packaging and shipping shall be borne solely by the Contractual partner.

5. Inspection and Acceptance

5.1 If GEHR demands an inspection and acceptance of the goods delivered/performed by GEHR or if such an acceptance is required by law, the Contractual partner shall carry out such inspection and acceptance within a period of two weeks after delivery. Should the Contractual partner fail to do so, the inspection and acceptance shall be deemed to have taken place, unless the Contractual partner reports precisely defined defects or errors, which are not insignificant, in writing within such period; the date by which such deadline must be met shall be the date on which the defect/error report is received by GEHR.

5.2 Inspections shall be made after complete installation of refurbished or reworked parts in normal daylight conditions and without any technical and/or mechanical tools.

Painted and varnished surfaces shall be inspected in a distance of 30 cm.

5.3 The inspection and acceptance by the Contractual partner shall also be deemed to

have taken place if the delivery of GEHR has been put into use, after completion of an agreed test phase if any.

6. Retention of Title

6.1 GEHR reserves the right to retain title, if applicable, in the sold Goods up until full payment on all current and future claims of GEHR arising under the purchase contract and an ongoing business-relationship (secured claims).

6.2 Prior to full payment on the secured claims, the Goods subject to the retention of title may not be pledged to third parties, nor may title therein be transferred for the purpose of security. The Contractual partner shall be obliged to notify GEHR in writing and without delay if and to the extent that third parties gain access to the Goods belonging to the GEHR.

7. Quality Defects

7.1 Goods of GEHR for which a quality defect arises within the limitation period shall, at the choice of GEHR, be repaired, replaced or performed again free of charge provided that the cause of the defect already existed at the time when the risk passed.

7.2 Claims against GEHR resulting from quality defects shall be subject to a limitation period of 12 months. This shall not apply where longer periods are prescribed by law pursuant to Sections 438 (1) No. 2 (buildings and items used for buildings), 479 (1) (right of recourse) and 634a (1) No. 2 (building defects) of the German Civil Code, as well as in cases of death, personal injury or damage to health, or where GEHR intentionally or grossly negligently breaches its duty or willfully conceals a defect. The statutory provisions regarding suspension of expiration, suspension and recommencement of limitation periods shall remain unaffected.

7.3 The Contractual partner shall notify quality defects (including, without limitation, incorrect or insufficient deliveries) to GEHR in writing and without delay. Such notice shall no longer be deemed "without delay" where it is not given within two weeks; this deadline shall be deemed to have been met if the notice is posted within this period.

7.4 GEHR shall first be given the opportunity to carry out rectifications within a reasonable period of time. If the rectifications are unsuccessful, the Contractual partner shall be entitled to rescind the contract or to a reduction in the fee.

7.5 There shall be no claims against GEHR resulting from defects in the case of minor deviations from the agreed nature and quality, of only minor impairment of usefulness, or natural wear and tear or damage arising after the passing of risk as a result of faulty or negligent handling, excessive use, unsuitable equipment, defective workmanship, unsuitable foundation soil or from particular external influences not assumed under the contract, or from non-reproducible software errors. Likewise, claims against based on defects attributable to improper modifications or repair work carried out by the Contractual partner or third parties or to the consequences thereof shall also be excluded.

7.6 The Contractual partner's rights of recourse against GEHR pursuant to Section 478 of the German Civil Code shall only exist insofar as the Contractual partner has not made any agreements with its contractual partner exceeding the scope of statutory rules governing claims arising from defects.

8. Limitation of Liability

8.1 The liability of GEHR for damages, irrespective of the legal basis of such liability, applies only in the event of intentional or grossly negligent conduct. In the event of basic negligence, GEHR shall only be liable for damage resulting from death,

personal injury or damage to health, or for damage resulting from the violation of a fundamental contractual obligation (an obligation the fulfillment of which renders the proper performance of the contract possible in the first instance and the compliance with which a Contractual partner typically does, and is entitled to, rely upon); in such case, however, the liability of GEHR shall be limited to the reimbursement of foreseeable and typical damage.

8.2 The limitations of liability set forth in subsection 8.1 shall not apply in the event that the GEHR has willfully concealed a defect or has provided a guarantee as to the nature and quality of the Goods. The manufacturer's warranty shall not constitute the providing of a guarantee by GEHR. The same applies accordingly to claims of the Contractual partner arising under the German Product Liability Act.

8.3 To the extent that the Contractual partner has valid claims for damages, such claims shall become time-barred upon expiration of the limitation period applicable to quality defects pursuant to sec. 7.2. In the case of claims for damages under the German Product Liability Act, the statutory provisions governing limitation periods shall apply.

9. Choice of governing Law; Jurisdiction

9.1 The sole venue for all disputes arising directly or indirectly out of or in connection with the contract shall be GEHR's place of business. However, GEHR may also bring an action at the general place of jurisdiction of the Contractual partner.

9.2 Legal relations existing in connection with this contract shall be governed by German law, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG). The requirements and effects of the retention of title agreed above shall be governed by the law applicable at the place of the storage of the Goods insofar as the choice in favor of German law should be unlawful or invalid pursuant to the respective law.

Effective 15 March 2013