

General Terms and Conditions of Sale of Elkas GmbH & Co. KG

1 Scope

(1) These General Terms and Conditions of Sale apply exclusively to companies as defined in Section 310 sub-section 1 BGB (German Civil Code).

(2) We shall only recognise any conditions of the Purchaser which are contrary to or deviate from our own Terms and Conditions of Sale if we expressly agree with their validity in writing.

(3) Any changes or additions to these Terms and Conditions of Sale must be agreed upon and must take the written form.

(4) These Terms and Conditions of Sale shall also apply to all future transactions with the Purchaser, to the extent that they represent legal transactions of a similar nature.

2 Quotations and contract conclusion

(1) Our quotations are non-binding. A legally effective contract shall only be concluded following a written order from the Purchaser and our written order confirmation. The order confirmation or a modified contractual offer shall be provided no later than 10 working days after receipt of the written order from the Purchaser.

(2) Changes and/or additions to the contract require the written form.

(3) Specifications, drawings, illustrations, dimensions, weights or other specifications shall only become the object of the contract once they have been expressly agreed in writing.

3 Submitted documents

We reserve the right of ownership and copyright for all documents submitted to the Purchaser as part of the order placed, such as design data, drawings, etc. These documents must not be made accessible to third parties, unless we give our express written consent to the Purchaser.

4 Prices and payment

(1) Unless otherwise agreed in writing, our prices are ex works, exclude packaging and are exclusive of the respective VAT. Packaging costs are billed separately.

(2) Partial deliveries shall be invoiced immediately. Each invoice shall be due for payment separately, regardless of the progress of the entire order. Any advance payments shall be charged on a pro rata basis according to the individual part deliveries.

(3) The purchase price shall be paid exclusively by bank transfer to one of our bank accounts. The deduction of discounts is only permitted subject to separate agreement in writing.

(4) Unless otherwise agreed in writing, the purchase price shall be due for payment within 14 days after the date of invoice. Interest on late payments shall amount to 6% above the respective annual base interest rate. The right to claim for additional damages for delay remains reserved.

(5) If no fixed price has been agreed upon, we reserve the right to make appropriate price changes due to any changes in labour, material or transport costs for deliveries occurring within 3 months or more of the contract being concluded.

5 Set-off and right of retention

The Purchaser has the right to set-off only if his counterclaims have been legally established or are undisputed. To exercise a right of retention the Purchaser is only authorised to the extent that his counterclaim is based on the same contractual relationship.

6 Delivery time

(1) Delivery periods and delivery dates are approximate and subject to change, unless they have been expressly agreed in writing.

(2) Delivery dates shall be deemed to have been met if we have made the ordered goods ready for dispatch within the agreed delivery time. Appropriate part deliveries are allowed depending on the order volume.

(3) The delivery period shall begin at the earliest from the date of issue of the order confirmation. The beginning of the delivery time indicated by us assumes the timely and proper fulfilment of the obligations of the Purchaser. We retain the right to raise the objection raised of non-fulfilment of the contract.

(4) Debtor's delay shall enter into force on our side only if we receive written warning note the Purchaser after the expiry of the delivery time agreed upon in writing, the latter having set a reasonable grace period of at least 10 working days for performance of the delivery and the grace period having expired. If we have already previously denied the performance seriously and definitively, debtor's default shall enter into force at the point in time of our refusal, irrespective of the above clause; in this case the Purchaser is entitled to withdraw from the contract.

(5) In the case of debtor's default by us not resulting from wilful intent or gross negligence, compensation shall be payable at a flat rate per completed week of 0.5% of the delivery value to a maximum 5% of the delivery value.

(5) Other legal claims and rights of the Purchaser with regard to debtor's default remain unaffected.

(6) The delivery time may be increased as a result of exceptional and unavoidable events or force majeure (e.g. natural disasters, disruption of operations, lack of raw materials, labour disputes, official interventions, etc.) to the extent of the duration of the impediment, without debtor's delay occurring during this period. If delivery is made impossible as a result of the above or similar reasons, we shall be released from our obligation. In such cases, the Purchaser shall be informed immediately of the impossibility of performing the delivery. In such cases, the Purchaser is not entitled to make claims for damages.

(7) If the Purchaser is in default of acceptance or if he culpably breaches other obligations, we are entitled to demand compensation for the damage occurred so far, including any additional expenses. We reserve the right to further claims. If the above conditions are met, the risk of accidental loss or accidental deterioration of the item of purchase transfers to the Purchaser upon the date on which the Purchaser entered into default of acceptance or debtor's delay.

7 Transfer of risk on dispatch

If the goods are sent to the Purchaser at the request of the Purchaser, the risk of accidental destruction or accidental deterioration of the goods shall pass to the Purchaser with the handover of the goods to the carrier or freight forwarder, at the latest on their leaving the plant. This applies irrespective of whether the goods are dispatched from the place of performance or who bears the freight charges.

8 Reservation of title

(1) We shall retain ownership of the delivered item until full payment of all claims arising from the delivery contract has been made. This shall also apply to all future shipments, even if we do not always expressly refer to this.

(2) The Purchaser is obliged to treat the item of purchase with care for as long as ownership of the item has not been transferred to him. If maintenance and inspection work is required, the Purchaser shall perform this in good time and at his own expense. As long as ownership has not yet been transferred, the Purchaser shall notify us immediately in writing if the delivered item is seized or subject to other interventions by third parties. As far as the third party is not in a position to reimburse us for the judicial and extra-judicial costs of an action in accordance with Section 771 ZPO (German Code of Civil Procedure), the Purchaser shall be liable for reimbursing us for the loss suffered by us.

(3) The Purchaser is entitled to resell the reserved goods in the ordinary course of business. The Purchaser shall transfer to us the claims of the recipient of the resold reserved goods to the extent of the final invoiced amount agreed upon with us including VAT. This transfer shall apply regardless of whether the item of purchase was resold with or without additional processing. The Purchaser shall remain entitled to collect the claim even after the transfer. Our authority to collect the claim ourselves shall remain unaffected. However, we shall not collect our claim as long as the Purchaser meets his payment obligations from the proceeds collected, is not in default of payment and specifically no request for the opening of insolvency proceedings has been filed or suspension of payments exists.

(4) We undertake to release the securities due to us at the request of the Purchaser, in so far as their value exceeds the claims to be secured by more than 20%.

9 Warranty and notification of defects, recourse/manufacturer recourse

(1) The Purchaser shall inspect the goods immediately after delivery by us, the carrier or freight forwarder. He shall notify us of any discrepancy without delay and in writing. The Purchaser shall provide us with immediate written notice of any defects which only become objectively noticeable at a later date. The sufficient timely dispatch of the notice of defect shall preserve the rights of the Purchaser. If the Purchaser fails to fulfil his obligation to report defects, the Purchaser shall not be entitled to claim against the warranty with respect to the unreported defects; the goods shall be deemed as approved.

(2) Claims based on defects shall become time-barred 12 months after delivery by us of the goods to our Purchaser. Our consent must be granted prior to any return of the goods.

(3) If, despite all care taken, the delivered goods exhibit a defect that already existed at the time of transfer of risk, we will, at our choice, either repair the goods or supply replacement goods, provided that the notice of defects was given in due time. We must always be given the opportunity to render subsequent performance within a reasonable time. The above provision does not affect the rights of recourse in any way.

(4) If subsequent performance is unsuccessful, the Purchaser can – without prejudice to any possible claims for damages – withdraw from the contract or reduce the compensation.

(5) Claims for defects cannot be asserted in the case of only insignificant deviation from the agreed properties and condition, in the case of only insignificant impairment of usability, in the case of natural wear and tear, or in the case of damage arising after the transfer of risk as a result of incorrect or careless handling, excessive strain, unsuitable equipment, poor construction work or due to special external influences that could not have been foreseen by the contract. If repair work or modifications are carried out improperly by the purchaser or a third party, claims for defects cannot be asserted for these or the resulting consequences.

(6) Claims on the part of the Purchaser for expenditures necessary for the purpose of subsequent performance, particularly transport, travel, labour, and material costs, are excluded if these

expenditures increase because the goods delivered by us were subsequently transported to a location other than the Purchaser's place of business, unless such transport is consistent with the goods' intended use.

(7) The Purchaser can only assert rights of recourse against us insofar as no agreements have been made between the Purchaser and the Purchaser's buyer that go beyond the mandatory statutory rights relating to defects. As for the scope of the Purchaser's right of recourse against the supplier, Paragraph 6 applies accordingly.

10. Confidentiality

(1) The contractual parties undertake to treat any not commonly known commercial or technical details of which they are made aware by the respective other contractual party as a commercial secret.

(2) Contract-specific data, drawings, samples or similar objects may not be provided or made accessible to unauthorised third parties. The duplication of such objects is only permitted in the context of the operational requirements and the copyright provisions.

11. Industrial property rights

(1) The Purchaser undertakes to inform us without delay of any third-party claim to proprietary rights in respect of the supplied products and to entitle us to defend ourselves at our expense. We are entitled to carry out necessary changes to the product at our own expense on products, even if they have been delivered and paid for, as a result of any third-party claim to proprietary rights.

(2) If we are denied the production or delivery by a third party on the basis of property right owned by such party, we are entitled - insofar as we have not infringed the property right - to stop the work until the legal position has been clarified by the Purchaser and the third party. In the event that it is no longer reasonable for us fulfil the contract due to the delay, we shall be entitled to rescind the agreement.

(3) The Purchaser is liable for ensuring that the provided services are free from any third party rights and shall indemnify us against all third party claims.

13 Insolvency, change of the legal form of the Purchaser

(1) If the Purchaser ceases to make payments or insolvency proceedings are requested against the assets of the Purchaser, we are entitled to withdraw from the contract in whole or in part.

(2) If the Purchaser undertakes any significant change in his legal form, shareholdings or financial position which is likely to significantly affect the expected results of the relationship, we are entitled to withdraw from our order without cost to us.

14 Right of withdrawal

(1) In the case of any subsequently determined impossibility not resulting from any actions of our own, we are entitled to rescind the contract in whole or in part. Further legal withdrawals are not affected by this provision.

(2) If withdrawal from the contract results from a breach of the contract by the Purchaser, any (partial) deliveries effected up until that point shall be billed for at the agreed prices. The resulting damage incurred by us shall be taken into account in the settlement.

15 Place of jurisdiction, place of performance and applicable law

(1) This contract and the entire legal relationship between the parties shall be governed by the law of the Federal Republic of Germany to the exclusion of the UN Sales Convention (CISG).

(2) The place of performance of this contract is Gladenbach, unless otherwise stated in writing in the order confirmation.

(3) The place of jurisdiction for all disputes arising from the business relationship is Marburg (Lahn).

(4) In so far as these conditions or a contract with the Purchaser for completion, modification, addition or cancellation of the contract provide for the written form, this also applies to the waiver of the written form requirement.

(5) Should any conflict exist between the German language and the English language texts as to the meaning, content or interpretation to be given to these General Terms and Conditions of Sale, the original German language shall prevail.

16. Severability Clause

Should individual provisions of these General Terms And Conditions or individual provisions of a concluded contract be or become ineffective, or contain a loophole, then the effectiveness of the remaining General Terms and Conditions and/or contractual terms shall remain unaffected. The parties undertake to replace an ineffective contractual provision with such legally permissible arrangements which shall fulfil the economic purpose of the ineffective regulation, or fill this gap.

Elkas GmbH & Co. KG

Gladenbach, March 2013