

General Terms and Conditions of Sale

Röttgers Ketten GmbH & Co. KG

1. Scope

- 1.1 All contracts as well as all contract offers and declarations of contract offer acceptance relating to deliveries and services performed by Röttgers Ketten GmbH & Co. KG are subject to these General Terms and Conditions of Sale (GTCS). Our GTCS also apply to all subsequent business relations and contracts, even if no express reference is made thereto.
- 1.2 Any deviations from our GTCS as well as any alterations or modifications thereof and any additions or supplements thereto are not valid unless we have expressly confirmed their validity in writing.
- 1.3 Application of the Customer's own general terms and conditions of business is hereby rejected. Clause 1.2 of these GTCS applies accordingly.

2. Terms of Contract

- 2.1 All order confirmations as well as any changes and additions made to order confirmations must be submitted in writing. Order confirmations transmitted via remote data transfer or computer printout are valid without a signature.
- 2.2 Oral declarations must always be followed by an express written confirmation. This requirement applies to, including, but not limited to, our commercial agents and/or sales representatives as well as our field service engineers.
- 2.3 The order confirmation is the only authoritative document for the content and scope of our deliveries and services.
- 2.4 Subsequent modification requests (e.g. requests relating to a modification of chain dimensions), including requests made in the context of call-off purchase orders / master agreements, will only be accommodated if we have given our express written consent thereto. Any extra costs arising from subsequent modifications that are not attributable to us must be borne by the Customer. If the goods ordered have already been produced or are in the process of production, modifications can no longer be made. In this case, the Customer is obliged to take delivery of and accept the goods based on the specifications set forth in the pertinent order confirmation / master agreement.
- 2.5 The compatibility / specific fit of a chain with any of the Customer's chain wheels is a parameter adherence to which is not included in our scope of work unless an express agreement to this effect has been made and

unless the Customer has provided us with a sample of the respective chain wheel for reference.

- 2.6 Our catalogues as well as all other sales documentation, lists and drawings are prepared with great care. Should any of the technical data (including weights and dimensions) or prices contained in any of these documents be nonetheless incorrect, we are entitled to correct these errors as appropriate.

3. Prices

- 3.1 Unless otherwise expressly agreed upon, all prices are quoted in Euros (EUR) on an "ex works" basis (INCOTERMS 2010), exclusive of packaging and insurance as well as net of the statutory value-added tax amount applicable at the time of delivery.
- 3.2 If the time period between the date of contract conclusion and the date of goods delivery/supply of services exceeds six (6) weeks, and provided that we are faced with unforeseeable, considerable cost increases, including, but not limited to, rises in material/commodity prices, we are entitled to adjust our prices accordingly.

4. Delivery Periods / Delay in Delivery

- 4.1 Indications of delivery periods are usually to be understood as approximate information.
- 4.2 Fixed delivery dates or transactions providing for a delivery of goods or supply of services by a fixed date (i.e. where time is of the essence) within the meaning of commercial law (Section 376 of the German Commercial Code) are not valid unless we have declared our prior express written consent thereto in the form and manner applicable to the order confirmation.
- 4.3 As a matter of principle, the delivery period commences upon dispatch of our written order confirmation, but no sooner than after the Customer has provided us with all specifications, documents and, if applicable, with all components and/or other items to be provided by the Customer (e.g. reference chain wheels). The delivery period is subject to the Customer's acceptance of and compliance with the agreed-upon terms of payment and other obligations incumbent upon the Customer.
- 4.4 In case of call-off purchase orders, and unless otherwise expressly agreed upon, delivery will be effected within a period of twenty (20) working days (to be construed as Monday to Friday) from the date on which we receive the Customer's written call-off.

- 4.5 The delivery period will be reasonably extended if we, our suppliers and/or their sub-suppliers are affected by a force majeure event, if measures relating to industrial action are taken (including, but not limited to, strike and lockout) or if unforeseen impediments of a similar nature arise that are beyond our control, to the extent that these impediments demonstrably and substantially affect the completion or delivery of the item(s) to be supplied.
- 4.6 The delivery period will also be reasonably extended if we receive deliveries from our own suppliers with delay.
- 4.7 We will be released from our service and delivery obligation if performance of the agreed-upon service or delivery is impossible for us due to any of the events or circumstances set forth in Clause 4.5 above.
- 4.8 The delivery period is deemed to have been adhered to if the item to be delivered has left our factory by the end of the indicated delivery period or if the Customer has been notified of its readiness for dispatch.
- 4.9 Should we default on a bindingly promised delivery date/period, the Customer is obliged to grant us a reasonable extension of time in writing. If we culpably fail to meet our delivery obligation within the granted time extension, the Customer is entitled to rescind the contract.
- 4.10 Clause 9 hereof applies in respect of any damage caused by delays in performance.
- 4.11 At our request, the Customer is obliged to declare within a reasonable period of time whether the Customer wishes to rescind the contract due to the delay in delivery, and/or whether the Customer seeks to claim damages in lieu of performance and/or whether the Customer continues to insist on the delivery being performed.
- 4.12 If, at the Customer's request, performance of a delivery or dispatch or service of a notification is postponed to a point in time beyond the date stipulated in the pertinent contract, we are entitled to charge to the Customer, no sooner than after expiry of ten (10) working days from the date on which the goods were announced as being ready for dispatch, storage fees in the amount of 0.5 % of the invoice amount for each month or part thereof, however no more than a total of 5 %. The contracting parties are at liberty to provide evidence of higher or lower storage costs.
- 5.3 Variations in terms of dimensions, weight and perimeter of the goods to be supplied are permitted within the product-specific tolerance limits customary in the trade.
- 5.4 Shipment is effected at the Customer's express request as well as on the Customer's behalf and at the Customer's expense.
- 5.5 The risk of accidental destruction and/or loss of goods passes to the Customer no later than upon dispatch or handover of the goods to the person performing the transport. This also applies in cases where the goods are transported by our own staff or by vicarious agents employed in the performance of our contractual obligations ("Erfüllungsgehilfen" in accordance with Section 278 of the German Civil Code ("Bürgerliches Gesetzbuch" / "BGB").
- 5.6 The risk also passes to the Customer once the Customer is in default of acceptance following receipt of the notification that the goods are ready for dispatch.

6. Retention of Title

- 6.1 The goods supplied (goods subject to retention of title) remain our property until all claims to which we are entitled from the business relationship with the Customer have been fulfilled.
- 6.2 During the retention of title period, the Customer is obliged to properly store the goods supplied by us, to preserve them in safe custody separately from similar or like items of other companies and to mark our goods as supplied by us.
- 6.3 The Customer is permitted to resell, incorporate/install or process the goods in the ordinary course of business, but only subject to the proviso that the Customer does not make an agreement with the Customer's purchaser (including, but not limited to, in the form of a prohibition of assignment clause) that might exclude or impair our rights in any way.
- 6.4 The Customer hereby, in advance, assigns to us any and all resale-related claims that the Customer may acquire against the Customer's purchaser or against any third party. If any such resale-related claim is incorporated into a current account held between the Customer and the Customer's purchaser, the balance claim will be deemed assigned to us in the amount of the invoice value (including VAT). The Customer continues to be authorised to collect the claims assigned by way of security unless and until we should revoke such authorisation. The authorisation may be revoked if the Customer culpably does not meet or ceases to meet the Customer's contractual obligations. If the claim collection authorisation is revoked, we are entitled to disclose the assignment. In this case, the Customer is obliged to provide without delay all documents required for assignment disclosure and claim collection.

5. Delivery/Passing of Risk

- 5.1 We are entitled to make partial deliveries to a reasonable extent.
- 5.2 We are furthermore entitled to supply quantities above or below the quantities ordered by the Customer subject to a tolerance range of 10 %, unless any such excess or short delivery is unacceptable in a particular case.

- 6.5 A resale in the ordinary course of business is not deemed to be constituted if the Customer pledges the goods subject to retention of title, or if the Customer transfers them by way of security to a third party, or if the Customer makes the goods the subject of a factoring and/or sale-leaseback transaction.
- 6.6 The customer is obliged to notify us without delay of any levy, seizure, attachment, confiscation as well as of any other disposition or intervention by a third party, and also of any damage or other deterioration affecting the goods subject to retention of title. In the event that claims vis-à-vis a third party should accrue to the Customer from any such damage or deterioration, the Customer hereby, in advance, assigns to us by way of security any such claims.
- 6.7 If any of the goods subject to retention of title are machined and/or processed in any way, the machining or processing will be deemed to be performed on our behalf and for us in our capacity as a manufacturer within the meaning of Section 950 ff. of the German Civil Code ("BGB"). (This does not, however, create any obligation whatsoever on our part.) In this case, we will be deemed to have acquired (co-)ownership of the items resulting from the machining and/or processing procedure performed on our retention of title goods, with such (co-)ownership share being calculated as the proportion of the value of the retention of title goods to the value of the new item at the time of machining and/or processing. We are also entitled to pro-rata (co-)ownership of the new item if third-party goods are processed together with our retention of title goods. If the Customer resells the item newly manufactured by the Customer, the Customer hereby, in advance, assigns to us by way of security any claims the Customer may acquire from the sale, with such assignment amounting to the value of the retention of title goods.
- 6.8 If the value of all our security interests exceeds all of our secured claims by more than 20 %, we will be obliged, at the Customer's request, to release at our own discretion a corresponding portion of the security interests.
- 6.9 In the event of a breach of duty on the Customer's part, including, but not limited to, default of payment, we are entitled to rescind the contract and repossess the retention of title goods. The Customer is obliged to return these goods to us. The mere repossession of the retention of title goods as well as the mere assertion or exercise of the retention of title right does not require the contract to be rescinded. Such action is not to be deemed an implied declaration of rescission on our part unless we expressly state that these actions are to be construed as a rescission.
- ## 7. Terms of Payment
- 7.1 As a matter of principle, our invoices are payable within a period of ten (10) days from the date of invoice issuance (i.e. from the invoice date) with a cash discount of 2 %, or within a period of thirty (30) days without deduction.
- 7.2 The cash discount is applicable only if the Customer is not culpably in arrears with the Customer's other payment obligations and if the invoice amount is credited to our account within the agreed-upon discount period.
- 7.3 Payment is deemed to have been effected once the amount is irrevocably at our disposal.
- 7.4 Payments by draft will not be accepted, not even on account of performance. Cheque collection charges must be borne by the Customer.
- 7.5 Should the Customer default on payment within the period of performance, i.e. within thirty (30) days from the invoice date, the Customer is deemed to have fallen into arrears even without a payment reminder being issued.
- 7.6 If the date of receipt of the invoice or payment schedule is uncertain, the Customer will be deemed to have fallen into arrears no later than thirty (30) days from the due date and receipt of the counter-performance.
- 7.7 In the event that a non-consumer Customer falls into arrears, we will be entitled to claim interest on arrears at the applicable statutory rate without the Customer being entitled to argue by way of objection that we have incurred a lower interest loss or no loss at all. The right to assert further claims for damages, e.g. in case of recourse to a higher current account overdraft facility, remains unaffected thereby.
- 7.8 Notwithstanding any separate payment arrangements that may have been agreed upon on a case-by-case basis, any receivables payable to us will immediately fall due if circumstances relating to the person of the Customer arise that render adherence to the agreed-upon payment arrangements unreasonable or unacceptable. This is the case if there is substantiated evidence of a significant deterioration of the Customer's financial position, including, but not limited to, suspension of payments, cheque and draft protests or default of payment, provided that it is apparent from any such evidence that fulfilment of our counter-performance claim is jeopardised as a result of the Customer's insufficient performance ability. In these cases, we are furthermore entitled to claim contemporaneous performance (performance upon tender of counter-performance) from the Customer or provision of additional collateral security. Moreover, we can determine a reasonable period of time in which the Customer will be required to effect the agreed-upon counter-performance or furnish the collateral security.

Should this period expire without the counter-performance or collateral security having been provided, we will be at liberty to rescind the contract.

- 7.9 Furthermore, all claims and receivables become due and payable if an application for the opening of insolvency proceedings over the Customer's assets is filed.
- 7.10 Within the scope of the warranty for defects, the Customer is entitled, after having raised a justified defect notification / complaint, to withhold payment to an extent no greater than is reasonable and appropriate in proportion to the notified material defect. Beyond these circumstances, the Customer is not entitled to exercise a right of retention.
- 7.11 The Customer is entitled to set off the Customer's counterclaims against our claims, but only subject to the proviso that the Customer's counterclaims concerned are due and payable in the same currency as the underlying claim (our main claim) and that they are uncontested as well as final and legally enforceable (res judicata).

8. Warranty

- 8.1 The Customer is not entitled to refuse to take delivery of our goods on account of minor defects or if quantities slightly above or below the quantities ordered by the Customer (+/-10 %) are supplied.
- 8.2 The Customer does not have the right to assert warranty claims if the goods exhibit minor deviations from the agreed-upon properties and/or condition or if their usability is insignificantly impaired.
- 8.3 Warranty claims are also excluded for natural wear and tear as well as for damage occurring, after the passing of risk, as a result of, or due to,
- improper or neglectful storage, installation/fitting, start-up use, operation or any other negligent or inappropriate treatment/procedures,
 - excessive stress,
 - insufficient machining or poor processing,
 - a combination/interaction with inadequate or insufficiently adapted/poorly matched components (e.g. unsuitable chain wheels),
 - external influences (e.g. atmospheric and temperature conditions) as well as physical, chemical or electrochemical treatments or procedures not specified in the contract,
 - improper modifications/alterations or poor repair work carried out by the Customer or a third party.
- 8.4 If the Customer places a purchase order for chains that are required to suit the Customer's chain wheels, Clause 2.5 above applies. In the event that the Customer does not meet the Customer's obligation to provide us with the items required for proper fulfilment of the purchase order, incompatibility of the chain with the respective chain wheel will not be deemed to constitute a defect.
- 8.5 The Customer is obliged to examine, without delay, the goods delivered to the Customer and to notify us in writing of any apparent defects without delay after receipt of the goods. Hidden defects must be reported without delay after their discovery.
- 8.6 In the event of a substantiated notice of defects, i.e. in case of a material defect which, or the cause of which, was already present at the time of risk transfer, we are entitled, at our option, to provide subsequent improvement (remedy of the defect) or subsequent delivery (replacement of the defective item).
- 8.7 If we supply a faultless item for the purpose of subsequent performance, the Customer is obliged to return the defective item to us. This applies accordingly to defective components if they are replaced by faultless components within the scope of subsequent improvement.
- 8.8 The Customer is not entitled to rescind the contract or request a reduction of the purchase price unless:
- we are unable to provide subsequent improvement or delivery;
 - we refuse subsequent improvement or delivery due to disproportionate costs;
 - improvement or subsequent delivery is delayed beyond a reasonable period for grounds attributable to us;
 - subsequent delivery or improvement fails twice.
- 8.9 The Customer is entitled to assert a statutory right of recourse against us only on the proviso that the applicable legal requirements (e.g. for the sale of consumer goods) are met. Consequently, the Customer is not entitled to assert a right of recourse if the Customer has entered into any agreements with the Customer's purchasers that go beyond the statutory warranty claims, whether under a guarantee or for reasons of goodwill.
- 8.10 A warranty period of one year is provided as far as the statutory provisions governing the sale of consumer goods, including but not limited to, recourse liability, do not apply (in the absence of pertinent statutory provisions). Longer periods stipulated by mandatory statutory provisions remain unaffected thereby.
- 8.11 The legal consequences arising from a violation of the commercial duty to examine the goods delivered as well as from a violation of the obligation to give notice of defect, if any, also remain unaffected.
- 8.12 In addition to the stipulations hereinabove set forth, Clause 9 applies to any claims for damages. We will not accept any claims for material defects asserted by the Customer against us or against the vicarious agents employed by us in the performance of our contractual

obligations (“Erfüllungsgehilfen” in accordance with Section 278 of the German Civil Code (“Bürgerliches Gesetzbuch” / “BGB”) if such claims are more extensive or otherwise differ from the stipulations in this sub-clause and in Clause 9. Our aggregate liability is limited to the net order value.

- 8.13 In no event and regardless of the legal basis (whether constituted by contract, tort law or any other area of law) can we be held liable vis-à-vis the Customer for any loss of profit or revenue, loss of use, loss of data, cost of capital, downtime costs, cost of substitute goods, costs of assembly and reassembly of goods, property damage external to the goods and any damage or loss arising out of such damage or any special, incidental, indirect or consequential damage or any of the foregoing suffered by any third party.
- 8.14 If a defect notified to us by the Customer is subsequently found not to exist or if we are not liable for a defect notified to us, we are entitled to claim compensation for any costs incurred by us as a result of any such defect notification.

9. Liability/Damages

- 9.1 Claims for damages put forward by the Customer for any legal reason whatsoever, including, but not limited to, any violation of duties arising from the contractual obligations hereunder and from wrongful acts, are excluded unless compulsory liability arises from
- product liability legislation,
 - wilful or grossly negligent conduct,
 - injury to life, body or health,
 - or from a violation of essential contractual obligations.
- 9.2 Any claims for damages asserted in respect of a violation of essential contractual obligations are limited to the foreseeable damage associated with this type of contract. This limitation does not apply if it is excluded for any other reasons, whether
- due to wilful or grossly negligent conduct;
 - or due to injury to life, body or health.
- 9.3 In the event that the Customer’s purchaser, or the purchaser’s purchaser, asserts a substantiated claim for subsequent performance against the Customer, the Customer is obliged to give us the opportunity to carry out such subsequent performance ourselves within a reasonable period of time before procuring “compensatory” goods from other sources. The Customer is obliged to impose this obligation accordingly also upon its own purchasers. In the event that the Customer violates any of these obligations, we reserve the right to reduce the reimbursement of expenses to the amount we would have incurred had we carried out such subsequent performance ourselves. The extended
- liability resulting from fraudulent intent or from a guarantee remains unaffected thereby.
- 9.4 If the Customer fails to exercise the Customer’s right vis-à-vis the Customer’s purchaser to refuse to provide subsequent performance in a specific form or manner or subsequent performance altogether due to cost disproportion, the Customer will be deemed to be in violation of the Customer’s duty to mitigate damage. In this case, a reimbursement of expenses is excluded.
- 9.5 Claims for reimbursement asserted by the Customer in respect of expenses necessarily incurred for the purpose of effecting subsequent performance (including, but not limited to, transport, travelling, labour and material costs), are excluded if expenses increase due to the fact that the object of supply has been subsequently transferred to a different location (other than the delivery address), unless such relocation corresponds to its intended use. This principle accordingly applies to recourse liability.
- 9.6 Any claims for damages and reimbursement of expenses associated with the defectiveness of goods are subject to the limitation periods stipulated for this type of claim (cf. sub-clause 8.10).
- 9.7 The Customer and the Customer’s purchaser are expressly not exempted from the obligations set forth in Section 377 of the German Commercial Code (“Handelsgesetzbuch” / “HGB”).
- 9.8 We do not assume any liability for compliance of the goods supplied by us with any statutory requirements outside Germany.
- 9.9 Certificates according to EN 10204 and similar certificates do not contain any assurance, warranty or guarantees.
- 9.10 In the case of arbitration, the testing facilities of Röttgers Ketten GmbH & Co. KG are authoritative.

10. Miscellaneous

- 10.1 The Customer is not permitted to assign to a third party any claims/receivables to which the Customer may be entitled vis-à-vis ourselves.
- 10.2 We have the right to process any Customer data received by the Customer or by third parties in the context of or in connection with the business relationship within the scope of the German Federal Data Protection Act (“Bundesdatenschutzgesetz” / “BDSG”).
- 10.3 If we manufacture tools for the production or machining / processing of Customer-specific goods, of if we have any such Customer-related tools manufactured on our behalf, these tools will remain our sole property, including if the Customer has assumed pro-rata tool costs in addition to, or as part of, the remuneration.

- 10.4 Sub-clause 10.3 applies accordingly to any tool documentations, especially as far as these contain our specific technical know-how or already protected copyrights or rights of use.
- 10.5 We reserve, without limitation, our rights of ownership and exploitation of copyright in respect of any cost estimates, drawings and other documents (hereinafter referred to as “documents”). The documents must not be made available or accessible to any third party unless we have given our prior written consent thereto, and they must be returned to us at our request without delay if the order is not placed with us.
- 10.6 The legal relations under this contract are governed by German substantive law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods.
- 10.7 The sole venue for all disputes arising directly or indirectly from the contractual relationship is the local court having jurisdiction over our corporate seat.
- 10.8 In the event that any provision of these General Terms and Conditions should be or become invalid, the validity of the remaining provisions and arrangements will not be affected thereby. The same applies in case of a loophole (unintended omission).

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