

SCHÄFERROLLS GMBH & CO. KG

GENERAL BUSINESS TERMS AND CONDITIONS

§ 1 General information – scope

- (1) The Business Terms and Conditions shall apply to all current and future business relationships in the business transactions with companies.
- (2) Deviating, contradictory or supplementary General Business Terms and Conditions, in particular Terms of Purchase or order conditions, even with knowledge thereof, will not become part of the contract, unless their validity is explicitly approved in writing (or in a manner using equivalent communications technology: Email, fax, data interchange).

§ 2 Offer/conclusion of contract

- (1) The offers of our company are without obligation, insofar as we show these as non-binding. Oral promises and collateral agreements as well as assurances of employees shall require a written form or an announcement using equivalent communications technology (email, fax, data interchange) in order to be legally valid.
- (2) With the placement of the order the customer declares bindingly that it will have the service that is the object of the order provided by us. It is bound to this (its offer) for the duration of two weeks from receipt of the roll (the core) by us and the clarification of the technical details that are necessary for the processing respectively production. We are entitled to reject the order type of the placement respectively the offer within this deadline in writing or in a manner using equivalent communication technology (fax, email, data interchange).
- (3) In case an order is placed without providing cores, the customer is bound to this for two weeks from receipt of this by us.
- (4) If we do not reject the offer (the placement of the order) within the deadlines stipulated in Subclause 2 or 3 above, the contract will be concluded with us on the basis thereof. If we issue an order confirmation before the expiry of the deadline then this shall be decisive for the conclusion of the contract in the scope as admissible by law.
- (5) If we reject the offer in time in the event of Subclause 2, the rules in § 7 General Business Terms and Conditions shall apply accordingly to the costs for returning the provided object. If the customer is in default with picking the provided object up, the provision in § 6 General Business Terms and Conditions shall apply accordingly.

§ 3 Co-ownership/reservation of title

- (1) If we provide material services on objects in execution of the order, which were made available to us by the customer for the corresponding processing, then we shall obtain co-ownership to the objects processed by the material services, which were insofar changed, pursuant to Sections 947, 948, 950 German Civil Code [Bürgerliches Gesetzbuch – BGB].

- (2) If the legal transaction consists of the delivery of movable objects, which have been exclusively produced and/or procured by our company, we shall reserve the property hereto – in the event of the provision of material services within the meaning of Subclause 1 the co-ownership – until the full settlement of all claims from an ongoing business relationship.
- (3) The customer undertakes to use the objects subject to the reservation of ownership or co-ownership in line with a proper course of business and pursuant to the recognised rules of technology, to regularly carry out the maintenance and inspection work that is necessary due to the commissioning at its costs. It is furthermore obligated to notify us of an access of third parties to the relevant objects, for example in the event of a pledge, as well as of possible damages or the destruction of the objects without delay. The customer has to report a change in possession thereof as well as a possible change in the location, in particular of the permanent establishment of the use, without delay.
- (4) We are entitled, in case of conduct of the customer in breach of the contract, in particular with default of payment or with the breach of one of the provisions relating to Subclause 3 above, to rescind the contract and to request that the goods are handed over. Further claims for damages shall remain unaffected hereby.
- (5) The customer is entitled to resell the objects under reservation of title or reservation of co-ownership in the ordinary course of business. It hereby now already assigns us all claims in the volume of the invoice amount respectively the pro rata amount that is to be determined according to Sections 947, 948, 950 BGB, to which it is entitled against a third party due to the resale. We hereby accept the assignment. After the assignment the customer is authorised to collect the claim. We reserve the right to collect the claim ourselves as soon as the customer does not properly satisfy its payment obligations and is in default of payment.
- (6) The further processing, in particular the connection of the reserved goods with another object, in particular the connection with a machine, will lead to the fact that we acquire the co-ownership to the relevant other or new object in the ratio of the value of the reserved object or the reserved object of the co-ownership to the other processed or connected objects.
- (7) Insofar as the customer concerns a trader, which resells the reserved object without being processed or processed in normal business transactions, it hereby now already assigns its claim from the resale in the amount of the invoice value of the reserved object respectively the reserved co-ownership share to us. We hereby accept this assignment.
- (8) The authorisation for the resale depends in all cases on the legal validity of the claim assignment. This shall also apply accordingly to the event, in which the reserved object is used by the buyer for the execution of a contract for work and services or a plant delivery contract.
- (9) The orderer is not entitled to assign the object under reservation of title or reservation of co-ownership as security to third parties, to pledge it to third parties or to conduct barter transactions with it. Likewise it is not permitted to pass the receivables assigned to us owing to the extended reservation of title as a follow-up customer to a factor bank, unless the factor bank enters directly towards us into the payment obligations of the buyer. Incidentally, our written consent is required for the assignment or sale of the receivable assigned owing to the extended reservation of title to the factor bank.
- (10) If debtors (third party debtors) pay the receivables assigned to us owing to the extended reservation of title by a cheque or bill of exchange to our customer (buyer) then the ownership or co-ownership to these securities shall pass to us in the amount of the invoice value of the reserved object as soon as the buyer acquires it. If payment is made by a bill of exchange then the buyer shall hereby accordingly assign the rights, to which it is entitled hereto, to us in advance. The hand-over of the bill of exchange document shall be replaced by the fact that the buyer holds the bill of exchange document in safekeeping for us respec-

tively holds it in co-safekeeping or – if it does not obtain direct possession of the security – hereby assigns or co-assigns its hand-over claim against third parties to us in advance. The buyer is in any case obligated to notify the credit institutions, with which it maintains business relationships, of this reservation clause. We are in any case entitled to notify the bank relationships of our customer about our business conditions and relationships.

(11) Upon request the buyer/customer is obligated to announce the assignment to us to the third party debtor and to notify us of this announcement as well as to send the information and documents, which are necessary for collection of the assigned claims, with this notification. The buyer/customer must notify us of an attachment or other impairment by third parties without delay.

(12) If the customer/buyer places its claims from a resale of such materials, in which we are entitled to the reservation of title, in a current account relationship, then it shall hereby assign the current account claim to us in the amount of the value of the reserved object respectively the reserved co-ownership. After a balancing it will be replaced by the recognised balance, which shall be deemed as assigned up to the volume of the amount, which accounts for the original current account claim.

(13) We undertake to release the securities, to which we are entitled, at the customer's request to the extent that the realised value of our securities exceeds the claims that are to be secured by more than 10%; we are responsible for the selection of the securities that are to be released.

§ 4 Remuneration

(1) The prices offered in our offer are binding to the shown extent, insofar as the offer is not described as non-binding. Insofar as the value added tax is not shown separately, they are deemed net without value added tax. Possible freight costs and customs duties as well as other shipping expenses are not included in the pricing.

(2) The customer undertakes to pay the owed price within ten days after the passing of risk (§ 5 of these terms and conditions). After the expiry of this deadline the customer will be deemed in default of payment and, from the occurrence of the default, has to pay default interest in the amount of the customary bank interest charged to us or the statutory default interest according to Section 288 BGB. This shall have no effect on deviating terms of payment in our order confirmations or invoices, insofar as the customer is placed in a better position hereby.

(3) The customer shall only have a right to offsetting if its counter-claims have been declared final and binding or were recognised by us. It can only exercise a right of retention if its counter-claim is based on the same contractual relationship and is recognised by us or has been declared final and binding.

§ 5 Completion/passing of risk

(1) If the service to be provided by us concerns a property purchase, the risk of the accidental loss and accidental deterioration of the object shall pass to the customer after the expiry of three days from the issue of our report of completion otherwise with the hand-over, with the sale by shipment, with the delivery of the object to the carrier, the freight forwarder or the other person or institution determined for execution of the shipment.

(2) If the object of contract consists of the provision of a service, in particular of such on the basis of a contract for work and services, the customer is obligated to call or collect the service respectively the object of service without delay after receipt of the report of completion sent by us. If it does not satisfy its call or collection obligation within three workdays after receipt of the report of completion, it shall subsequently (thus from the fourth day) be deemed in default of acceptance. With the occurrence of the default the risk of the accidental loss and the accidental deterioration of the object shall pass to the customer. In the event of shipment the aforementioned regulation in Subclause 1 shall apply accordingly.

§ 6 Warehousing

In the event that the customer has been deemed in default pursuant to § 5 of these terms and conditions, we are entitled, from occurrence of default, to charge reasonable warehousing costs for the objects stored in our company, which are intended for the customer.

The amount of the warehousing costs will be determined according to the storage duration during the default, on the one hand, and the condition or the volume of the object concerned, on the other hand.

§ 7 Shipment/shipment costs/packaging/transport containers

(1) Our service provision is concluded with the completion of the respective object. If the customer commissions us with the shipment of the object, this shall be carried out in its name and at its costs. If the shipment is carried out with transports of our company, this shall also be deemed carriage forward.

(2) In the event of the shipment requested by the customer we are entitled, in the absence of an instruction otherwise, to carry out the manner of the respective shipment and the commissioning of a carrier or freight forwarder (in the name of the customer) at our own dutiful commercial discretion.

(3) The transport costs will in all cases, in the absence of agreements otherwise, be invoiced to the client/customer.

(4) The costs for packaging suitable for transport will likewise be charged separately.

(5) Defects to transport containers, which are made available to us by the customer for the return delivery of the units processed by us, as well as any damages to the respective transport goods that may be suffered through such defects, shall be borne by the customer. Our liability for such defects and damages is excluded. This shall also apply if we have directed such containers (in particular transport boxes) for the purpose of the delivery and to securing the transport process. We shall not be liable for the qualified preparation or repair of these containers.

The same shall apply accordingly to surrounding packaging of all kinds.

§ 8 Obligations of the orderer to provide assistance

(1) The execution of the orders placed with us presumes that the client/customer/orderer fulfils the following obligations to act or provide assistance:

— In the event of provision of the roller cores, they are to be delivered in stable transport boxes which guarantee shock-free storage of the rollers. The cores themselves must be provided with staggered drill holes or with drilled journals at the ends for vulcanisation. Bearings and other attachments and installation parts must be removed by the customer before delivery. Otherwise a separate calculation will be carried out.

(2) The cores must withstand a processing temperature of at least 150 degrees Celsius and a pressure of at least ten bar.

§ 9 Liability for defects

(1) Our customers are obligated to inspect the received objects or the services provided by us without delay after the passing of risk for their freedom from defects (in line with Sections 377 et seqq. German Commercial Code [Handelsgesetzbuch – HGB]). You must report obvious defects to us within a deadline of two weeks from receipt of the objects or services in writing or in a manner using equivalent communication technology; otherwise the assertion of claims due to defects is excluded. The customer bears the full burden of proof for all claim prerequisites, in particular for the defect itself, for the time of determination of the defect and for the punctuality of the report of defects.

(2) Only the details contained in our offers or confirmations shall apply as the condition of the object or of the service. The customer/client shall not receive guarantees in a legal sense from us. In particular we shall not assume any obligation for the individual suitability for use on the part of the customer of the service under the contract for work and services respectively the object.

(3) The liability for defects shall remain excluded with the leakage of oil and grease residues and binding disorders caused hereby. Our liability is likewise excluded for the occurrence of flash rust on metal parts.
Our liability is furthermore excluded for such defects, which are caused by improper commissioning or transports or storage at the customer Hardness tolerances of +/- 5 Shore A shall be deemed as in line with the contract.

(4) The claims due to defects shall become statute-barred after the expiry of one year from the passing of risk or provision of our contractually owed service or delivery of the goods. This shall have no effect on the defect report obligation of the customer pursuant to Section 377 HGB, which also applies with services under contracts for work and services.

(5) If and as far as the customer is entitled to claims due to defects, we shall provide warranty for defects to the object delivered by us or the provided service, at our choice, by remedying defects, subsequent improvement, replacement delivery, new production, reduction in price or rescission, whereby in the event of the rescission our obligation will be limited to refund of the possibly paid contractual price.

(6) If we have decided in favour of subsequent improvement and if this fails, the customer can principally, at its choice, request reduction of the remuneration (reduction) or reversal of the contract (rescission). In case of an only slight breach of contract, in particular with only slight defects, the customer shall however not be entitled to a right of rescission. If the customer chooses to rescind the contract owing to a defect of title or a material defect after a failed subsequent fulfilment, it shall additionally not be entitled to any claim for damages owing to the defect. If the customer chooses damages after a failed subsequent fulfilment, the goods will remain at the customer if this is deemed reasonable for it. The damages shall be limited to the difference between the contractual price and the value of the faulty object. This shall not apply if our breach of contract is due to a wilful act in breach of obligations.

(7) A possible refund amount pursuant to § 9 Subclause 5 or Subclause 6 Sentence 1 of these General Business Terms and Conditions will be reduced pro rata in line with the ratio of the duration from start of the statute-of-limitations within the meaning of § 9 Subclause 4 until the time of the assertion of the firsttime report of a defect by the customer, on the one hand, to the duration of 12 months on the other hand (pro rata temporis regulation). If the customer can prove that the time of the commissioning of the faulty object was carried out after the passing of risk, this time is decisive for the determination of the duration.

(8) Liability for consequential damages or other damages is excluded subject to the provision in § 10 No. 4 in conjunction with § 309 sub-para. 1 No. 7b BGB (German Civil Code).

§ 10 Liability limitations in case of culpable breaches of obligations

(1) We shall not be liable towards companies with only a slightly negligent breach of insignificant contractual obligations.

(2) Incidentally, our liability is limited, insofar as this is not opposed by any mandatory statutory regulations, to the foreseeable, direct average damages that are typical for the contract, according to the type of the service or the object (goods) owed by us as per contract.

(3) The limitations of liability hereby stipulated shall not apply in the event of personal injury, namely in the event of injury to life, limb and health, insofar as gross negligence is involved. Liability for negligent (slight) breach of duty is also excluded in this respect.

(4) Incidentally, the liability shall remain unaffected with the existence of wilful conduct or gross negligence.

§ 11 Damage exclusion

(1) If the business partner suffers damages in the context of order processing that are attributable to circumstances, for which we are not responsible, claims for damages of any kind shall be excluded.

(2) The same shall also apply to damage to items brought in by the customer, which are not our property, and which are the subject of the order processing, in particular the machining (roll cores, raw rolls, materials of all kinds provided, other material components for the purpose of fulfilling the order). This shall apply in particular in cases of force majeure and due to events resulting from actions and measures of third parties (including strikes and similar events).

(3) Our liability for damage to such items shall also be excluded in cases in which we can only be charged with slight negligence.

(4) In all cases in which the customer is in default with regard to the collection or return of the items brought in by him, in particular default of acceptance, our liability shall be excluded even in cases of gross.

§ 12 Delivery/service deadline

(1) The delivery deadline shall begin with the sending of the order confirmation or the acceptance of an offer issued by us by the customer and after the full clarification of all

technical prerequisites that are necessary for the service provision, however in no way before provision of the objects, documents, permits, releases to be procured respectively delivered by the customer as well as before receipt of an agreed down payment subject to separate agreements with the customer.

(2) The delivery/service deadline is adhered to if the object of delivery has left our plant or the report of completion has been issued until it has expired.

(3) The dates and deadlines stated by our company are, in the absence of written agreements otherwise, no fixed dates.

(4) Delays in delivery and services owing to force majeure or owing to events, which render the delivery/service substantially more difficult or impossible for our company – this shall also include subsequently occurred material procurement difficulties, interferences to operation, strike, lock-out as well as other official orders, for which we are not responsible, also insofar as these occur at subsuppliers – shall not be the responsibility of our company even with deadlines and dates agreed bindingly. They entitle us to postpone the delivery or service by the duration of the impediment plus a reasonable startup time or to rescind the contract in full or in part with regard to the not yet fulfilled part. Claims for damages of our customer are excluded with such a factual position.

(5) If the impediment, for which we are not responsible, within the meaning of Subclause 4 above lasts for longer than one month, the customer is entitled, after setting a reasonable final deadline, to rescind the contract with regard to the not yet fulfilled part. Further rights in this respect are excluded. The same shall apply if we are not responsible for the delays in delivery and/or service for other reasons.

(6) Our company is entitled to provide partial deliveries or partial services at all times, insofar as such are technically possible according to the kind of placed order.

(7) The delivery and service deadlines will be extended in all cases by the period of time by which the customer does not fulfil its obligations towards us, albeit they also have other legal bases or are based on other business transactions herewith.

(8) If the customer/orderer is in default with acceptance or if it breaches other obligations to provide assistance then we are entitled to request compensation for the damages accordingly suffered by us including possible additional expenses. The right is reserved to further claims.

(9) Insofar as the prerequisites of Subclause 8 above exist, the risk of an accidental loss or an accidental deterioration of the object of contract (goods/main service) shall pass to the customer/client at the time at which it is deemed in default of acceptance or in debtor default.

(10) The aforementioned provisions in Subclause 4 shall also apply for the event that we are not supplied, or not supplied in time, by our sub-suppliers with the raw materials necessary for fulfilling the contract and the delivery failure is not due to circumstances, for which we are responsible. If the supply with raw materials or preliminary materials is definitely not going to occur, we are entitled to rescind the contract. A payment possibly made by the customer will be refunded hereto. Further claims of the same kind are excluded. As far as the storage and the return transport of the objects provided by the customer in this context is concerned, the regulations in §§ 6 and 7 of these General Business Terms and Conditions shall apply accordingly.

§ 13 Qualities/dimensions and weights

(1) Qualities and dimensions shall be determined according to the DIN standards respectively material sheets, insofar as no other standards or foreign standards have been agreed in writing. Insofar as no DIN standards or material sheets exist, the corresponding Euro standards shall apply, in the absence of such the customary trade practice. The reference to standards, material sheets or factory test certificates of all kinds and/or the description of our deliveries and services with corresponding details shall not be deemed as an assurance of properties. Also insofar as the delivery or service is envisaged for a certain type of use of the orderer and this becomes a content of the contract, this shall not be deemed an assurance of properties either.

(2) The use of the type as well as the scope of raw materials shall be determined by us. We are entitled, to insofar deviate from the stipulations of the order placement, as long as this does not lead to any detrimental implications for the service or object to be provided.

(3) We likewise reserve to make changes after conclusion of the contract with regard to the services to be provided by us respectively objects to be produced by us, insofar as this is deemed reasonable for the customer, namely:

- Product changes over the course of the constant product further developments and improvement
- slight and insignificant deviations in colour, form, design, dimensions, weight or deviations in quantity
- customary trade deviations

§ 14 Place of performance/mode of payment

(1) The place of performance for all deliveries and services as well as for payments of our business partners is the registered seat of our company.

(2) Decisive for the timely payment is in all cases the receipt thereof by our company or the definitive valuation or the redemption of the security.

(3) We are not obligated to accept cheques and bills of exchange, unless, these concern bank guaranteed cheques.

§ 15 Place of jurisdiction

The place of jurisdiction for all business relationships with our customer is Renningen/ Baden-Württemberg. This shall also apply to non-contractual claims and claims within the scope of bill of exchange-cheque proceedings. We are also entitled to take legal action against the business partner at its general place of jurisdiction or at the otherwise envisaged place of jurisdiction by law.

§ 16 Applicable law/other conditions

(1) The law of the Federal Republic of Germany shall apply to the legal and business relationships to our contractual partners under the exclusion of the UN Convention on Contracts for the International Sale of Goods.

(2) Other international clauses recommended or practised in commercial business transactions (Incoterms among others) shall only apply to the contractual relationships with the customer to the extent as this has been explicitly agreed with the customer in writing or in a form using equivalent communication technology (email, fax, data interchange).

§ 17 Severability clause

Should one (should several) condition(s) of this complex be or become invalid this shall have no effect on the legal validity of the other conditions. Instead of the invalid condition the relevant statutory provisions, insofar as they have not been excluded legally effective by the other conditions, shall apply. Incidentally, such a clause shall be deemed as agreed to replace the invalid clause, which shall as far as possible correspond with the invalid provision.

§ 18 Amendments and/or addendums

(1) Amendments or addendums to these terms and conditions may only be effected by persons of our company who are authorised to representation by law.

(2) Terms and conditions, which preceded these regulations, are revoked or replaced by these terms and conditions.

§ 19 Data protection

The provider collects and stores the data of the customer that are necessary for processing the business.

When processing the personal data of the customer the provider shall comply with the statutory provisions. More specific details can be seen from the privacy statement that can be called in the online portal, <https://schaferrolls.com/en/privacy/>

The customer will receive information at all times upon request about the data stored in relation to his person.

§ 20 Secrecy

Confidential information within the meaning of this regulation are all embodied or oral information and data, such as for example technical or business data, documents or knowledge as well as samples, which one of the two parties receives in connection with orders, offers, projects, also an offer created by SchäferRolls and forwarded to the contractor already before order acceptance respectively forwarded enquiry and which have been explicitly and recognisably marked as confidential. The parties undertake to maintain secrecy and exclusively use all confidential information within the scope of the fulfilment of this order or project, not to make accessible to third parties or to only make it accessible to those of its employees, who require this within the scope of this order or project and who have been obligated to confidentiality that corresponds with this agreement, insofar as they are not subject to a general nondisclosure obligation anyway owing to their employment contract, to hereby apply the

same care and attention as with regard to own information of similar significance, at least however to apply a reasonable degree of care. The non-disclosure obligation shall not apply to confidential information, which is or becomes accessible to the public or, without one of the parties being responsible for this. This obligation shall not apply either to confidential information, which is to be disclosed owing to a binding official or judge's order or mandatory legal regulations, presuming that the contractual partners were informed in time in advance in writing about the respective disclosure and the parties have previously exhausted all legal possibilities in order to prevent a disclosure. The parties can request from one another within three months after the termination of the order or project that confidential information is returned in an embodied and/or electronic form or destroyed without delay. This shall however only apply to such information, which is not included in the service package handed over by SchäferRolls to the customer. All information processed for the creation of the service package will be stored by SchäferRolls within the scope of the statutory minimum storage deadline. The parties undertake to confirm the destruction of confidential information in writing within 14 days after receipt of the corresponding request.