## **General Terms and Conditions of RHODIUS Abrasives GmbH**

# RHODIUS

#### I. Scope of the Terms and Conditions

- Any deliveries, services and quotes of RHODIUS shall be made exclusively on the basis of these Terms and Conditions. These Terms and Conditions, as amended from time to time, shall also apply to all future business relations, even if they are not explicitly agreed again. They shall be deemed accepted upon receipt of the goods or service, at the latest.
- RHODIUS does not acknowledge any terms and conditions of the customer that conflict
   with or deviate from these Terms and Conditions, unless their application is explicitly confir
  - with or deviate from these terms and Conditions, unless their application is explicitly confirmed by RHODIUS in text form.

    The Terms and Conditions of RHODIUS and the rejection of any deviating or conflicting terms and conditions shall apply even if RHODIUS performs deliveries or services to the customer or accepts payments without reservation in the knowledge of conflicting or deviating terms and conditions of the customer.
  - Silence in response to an order confirmation of the customer with contradictory declarations of the customer also shall not constitute consent

#### II. Quote, conclusion of contract and technical condition

- Quotes of RHODIUS shall be subject to change, unless explicitly specified otherwise in the
  - respective quote.
    RHODIUS may accept customer offers within a period of two weeks after submission,
  - values the customer has specified a longer acceptance period.

    Declarations of acceptance, orders as well as order confirmations shall be made in text form. Verbal agreements made prior to or after conclusion of the contract shall be binding only if confirmed in writing by RH-ODIUS. If RH-ODIUS executes the order within the acceptance period, the delivery slip or the commercial invoice shall also be deemed a declaration of acceptance or an order confirmation.

    RH-ODIUS Shall not be abligated to acceptance orders. Silence on the part of
  - RHODIUS shall not be obliged to accept any customer orders. Silence on the part of RHODIUS shall not be deemed a declaration of intent.
- Any ambiguities or incompleteness in the specification shall generally be borne by the ustomer. Samples shall not be binding.

  - customer. Samples shall not be binaring.

    Subsequent amendments shall be made in writing. In particular, RHODIUS shall not warrant that the performance is suitable for the customer's intended use.

    The inclusion of technical rules and regulations or the specific guarantee of certain properties in this contract shall require an explicit agreement in text form. As a matter of principle, any application-technical and other advice provided by RHODIUS verbally or in writing shall not be binding.
  - shall not be binding.

    Drawings, illustrations, dimensions and weights shall be deemed agreed only if this is confirmed by RHODIUS separately and in text form.
- The technical properties of the delivery items are determined according to the product information issued by RHODIUS and, in addition, according to technical standards DIN EN 12413:2011-05, DIN EN 13236:2011-02 and DIN EN 13743:2009-10. The version valid at the time of the conclusion of the contract shall be applicable. RHODIUS shall make the product information available free of charge to the customer.
  - on request. Any assurance or guarantee of the dorementioned product properties shall be made in text form. Any properties of the deliverables exceeding the aforementioned properties shall be deemed agreed only if this is confirmed by RHODIUS separately and n text form
- In the case of custom-made products, RHODIUS is entitled to exceed or fall below the delivery quantities agreed in the contract by 10 %.

- The customer shall ensure that the goods can be exported. The customer shall bear the risk of an export ban at the time of the conclusion of the contract.
- To the extent required, the customer shall procure the import permit as well as all approvals, permits and other documents required in connection with the import and possible transit through third countries. The customer shall bear the risk of an import ban.

#### IV. Delivery, performance impediments, partial deliveries

- Delivery as well execution deadlines shall be approximate and non-binding. Agreements on binding delivery dates shall be made in text form and must explicitly state that they are binding.
- Compliance with agreed deadlines for deliveries shall be contingent on timely receipt of any and all documents to be provided by the customer (e.g. labels, packaging), required permits, information and approvals as well as the customer's compliance with the stipulated terms of payment.
  - If these requirements are not met in due time, the deadlines shall be extended accordingly; this shall not apply if RHODIUS is responsible for the delay.
- RHODIUS shall not be liable for any delays in delivery and performance due to force INDUIUS shall not be liable for any delays in delivery and performance due to force majeure or events which make delivery or performance of the service substantially more difficult or impossible through no fault of RHODIUS, including subsequently occurring difficulties in procuring materials, business interruptions, strike, lockout, lack of personnel, lack of means of transport, regulatory orders, mobilization, war, riots, etc., even if they occur at pre-suppliers, their sub-suppliers or subcontractors.

  RHODIUS shall not be liable in such cases even if they occur at upstream suppliers, their sub-suppliers or subcontractors, including in the case of blindingly agreed deadlines and deter.

  - dates.
    They shall entitle RHODIUS to postpone the delivery or performance for the duration of the hindrance, plus a reasonable start-up period or to withdraw from the contract as whole or in part due to the part not yet performed. This shall also apply if such delays arise during an already occurred default. RHODIUS must notify the customer without undue delay of such impediments.
  - act in Impedimental for more than three months, after setting a reasonable extension period in text form under the exclusion of all other rights, the customer shall be entitled to withdraw from the contract with respect to the part not yet performed.
- 4. RHODIUS shall be in default only if a reminder has been issued in text form. A subsequent performance deadline must be reasonable. In case of doubt, a period of at least two weeks shall be deemed reasonable. The deadline shall be set in text form.

- Partial deliveries and separate invoicing thereof shall be permissible and may not be rejected by the customer if the remainder is still delivered or the partial delivery is not without interest for the customer
- If RHODIUS is in default, the customer may provided that the customer it able to credibly show that as a result thereof, it has suffered damage claim compensation at a rate of 0.5 % for each complete week of such delay, but in any event not exceeding a total of 5 %
  - of the price of the delayed delivery.

    Both claims for damages by the customer due to delay in performance as well as claims for damages in lieu of performance exceeding such limits shall be excluded in all cases of delayed performance, including after expiry of any deadline for performance given to
  - This shall not apply in cases of mandatory liability for willful intent, gross negligence or injury to life, limb or health. The customer may withdraw from the contract only within the scope of the statutory provisions if RHODIUS is responsible for the delay in performance. This does not entail a change in the burden of proof to the customer's detriment
- If an agreed date of performance is delayed due to circumstances for which the customer is responsible, any additional expenses incurred by RHODIUS as a result thereof shall be reimbursed by the customer. Any execution deadlines shall be reasonably extended. Any further claims on the part of RHODIUS shall not be affected.

#### V. Scope of delivery

- 1. The scope of delivery shall be determined by the contractual declarations made in text form.
- The right to make technical changes during the delivery period which are due to technological improvements or legal requirements shall be reserved, provided that the deliverable is not significantly modified and that the customer can be reasonably expected to accept the

#### VI. Damages due to non-performance

If the customer has to pay damages due to non-performance, RHODIUS shall be entitled to specify a flat rate of 15 % of the agreed net remuneration for such damages. The customer may demonstrate that no damage has occurred at all or that the damage was significantly less than the flat rate.

RHODIUS shall be entitled to assert a higher damage that has demonstrably occurred

#### VII. Passage of risks

- Unless stipulated otherwise, the risk shall pass to the customer once the goods are made available ready for delivery at the supplying plant resp. warehouse of RHODIUS, and in any event no later than upon handover to the transport person. Furthermore, the risk shall pass to the customer at the point in time when the shipment or delivery is delayed for reasons under the customer's control or if the customer is in default in acceptance
- If the transport person accepts the performance without complaint, it shall be assumed that the packaging of the delivery was in good order and condition at the time of handover to the transport person.
- The customer shall bear the risk during the return transport, if such return transport takes place after the customer's withdrawal due to a breach of duty on the part of the customer or as a goodwill gesture on the part of RHODIUS.
- Unless stipulated otherwise, transport and other packaging shall not be taken back by RHODIUS. Unless stipulated otherwise, the customer shall be responsible for compliance with the requirements of the German Packaging Ordinance (Verpackungsverordnung) and shall bear any and all necessary packaging costs
- RHODIUS shall have the right, but not the duty, to insure deliveries in the customer's interest and at the customer's expense

#### VIII. Notice of defects and warranty

- In the event of any defect in quality (including, without limitation, damage to packaging and quantity deviations), notwithstanding any statutory obligations to inspect and give notice of defects, the customer shall thus notify RHODIUS in writing without undue delay after the passage of risk; otherwise performance of RHODIUS shall be deemed accepted. The notice of defects must state type and extent of the complaints at least in general terms.
- Hidden defects, i.e. defects that cannot be detected in the course of a feasible receiving inspection, shall be reported without undue delay following detection.
- Upon request by RHODIUS, samples of the disputed performance shall be sent in without undue delay. The costs, plus any expenses which RHODIUS could reasonably consider necessary for the purpose of processing and examining the notice of defects, shall be borne by the customer if the defectiveness could not be verified and if the customer is responsible for the unjustified notice of defects.
- The customer shall be responsible for inspecting the performance of RHODIUS with regard to its suitability for the purpose intended by the customer as well as for the given conditions of use. This shall also apply if the service is generally recommended for a particular purpose. RHODIUS shall not be liable for any legal reason whatsoever if damage results from a breach of the aforementioned inspection duties on the part of the customer.
- Guarantees of properties of the goods or services shall be made in text form. Information in promotional material shall not be binding and does not constitute any guarantee.
- Deviations in quality shall not constitute defects of the goods, unless they significantly impair the use of the deliverable for the contractually stipulated purpose when used or processed
  - RHODIUS does not provide any warranty for deliveries to be completely uniform in color and shape or will match specimens or samples.
- If a notice of defect that has been duly given is justified, RHODIUS shall in case of entrepreneurs be entitled at its own discretion to make a replacement delivery. RHODIUS shall not have the right of subsequent delivery in case of a purchase if and insofar the customer

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asserts recourse claims pursuant to Section 479 para. 1 or para. 2 of the German Civil Code (Biggerliches Gesetzbuch - BGB). If replacement delivery fails, the customer shall at its own discretion be entitled to withdraw from the contract or to demand the corresponding reduction of the stipulated price or, if the relevant statutory requirements are fulfilled, demand damages.

- As a matter of principle, RHODIUS shall perform the subsequent improvement or repeat performance as a goodwill gesture and without acknowledging any legal obligation. An acknowledgment with the consequence of the period of limitation starting again anew shall be deemed to exist only if RHODIUS explicitly declares this to the client.
- Any claims on the part of the customer for expenses required for the purpose of subsequent performance, in particular transport, travel, labor and material costs, shall be excluded if they arise or increase because the delivery item has been taken to a place other than the handover location, unless such transfer is in line with the contractually agreed use
- 10. The customer shall not have any recourse claims against RHODIUS if they are based on the fact that the customer has entered into agreements with its buyer exceeding the statutory warranty provisions.
- 11. If the customer is an entrepreneur, the warranty period for the purchase of new goods shall be one year from delivery, unless the law provides for a longer period pursuant to Section 438 para. 1 no. 2 BGB (buildings or objects for buildings) or 479 para. 1 or para. 2 BGB (recourse claim). Any warranty rights for the purchase of used goods shall be excluded that the purchase of used goods shall be excluded. if the customer is an entrepreneur.

#### IX. Retention of title

- The objects of deliveries (reserved goods) shall remain the property of RHODIUS until the purchase price and any and all claims of RHODIUS against the customer under the business relationship have been paid in full.
- Any handling and processing of the reserved goods shall be performed on behalf RHODI-US without any obligation on its part.
- The customer shall be entitled and authorized to sell, combine or mix the reserved goods only in the ordinary course of business and subject to the proviso that the claims described below shall in fact pass to RHODIUS and that ownership shall pass to the customer's contracting party only once the latter fully met its payment obligation. The customer shall not be entitled to otherwise dispose of the reserved goods, in particular stable using a factorial than or the surface and of the described to the customer as a contraction. not by way of pledging them or by assigning them as security.
- 4. The customer hereby assigns to RHODIUS any and all claims arising from the sale of the reserved goods or the combination or mixing of the reserved goods with other objects (including any and all outstanding balances under current accounts) in the amount of the value of the reserved goods, together with all ancillary rights and with priority over the rest. RHODIUS accepts such assignment. The value of the reserved goods shall be agreed to be the amount invoiced by RHODIUS plus a security surcharge of 10 %; however, the latter shall not easily if it conflicts with any third-party rights. shall not apply if it conflicts with any third-party rights.
- RHODIUS revocably authorizes the customer to collect the claims assigned to it for the account of RHODIUS in its own name as long as the customer meets its obligations towards
  - account of KHODIUS in its own name as long as the customer meets its obligations towark RHODIUS, is not in default in payment and no application for opening insolvency or composition proceedings has been filed.

    Upon the request of RHODIUS, the customer shall disclose the debtors of the claims assigned to RHODIUS, notify them of the assignment, provide all information on the assigned claims required for collection and also hand over the documents required for collection. RHODIUS shall also be authorized to notify the debtors of the assignment
- In the event of default in payment by the customer, RHODIUS shall be entitled to demand the return of the goods if it has unsuccessfully set a reasonable deadline for performance. Repossession as well as seizure of the reserved goods by RHODIUS shall not constitute a withdrawal from the contract.
  - will advantage the repossession of the goods, RHODIUS shall be entitled to exploit them as best as possible. The proceeds of such exploitation shall be offset against the customer's liability less reasonable costs of sale. The customer's claim for performance shall expire in
- 7. If and to the extent that the security collateral in place in favor of RHODIUS exceeds the claims to be secured by more than 20 %, upon the customer's request, RHODIUS shall release a corresponding part of the security interests.
- In the event of any third-party access to the reserved goods or other security interests, the customer shall be obliged to point out the rights of RHODIUS and to notify RHODIUS without undue delay of such access.

#### X. Liability

- 1. Any claims for damages or compensation for wasted expenditure on the part of the customer shall exist only in accordance with the following provisions and shall otherwise be
- 2. Unless indicated otherwise in these GTC, including the following provisions, RHODIUS shall be liable for a breach of contractual and non-contractual obligations in accordance with the relevant statutory provisions.
- 3. RHODIUS shall be liable for damages regardless of the legal basis in case of willful intent or gross negligence. In case of simple negligence, RHODIUS shall be liable only
  - for damages resulting from injury to life, limb or health,
  - for damage resulting from a breach of a material contractual obligation (duty the discharge of which is essential for due performance of the contract and on the fulfillment of which the Distributor may routinely rely); in such case, the liability of RHODIUS shall be limited to the compensation of the foreseeable, typically occurring damage. However, the maximum liability of RHODIUS visitavis the customer in such case shall not exceed FLIP 1 million; in tetal exceed EUR 1 million in total.
- The liability limitations under the above paragraph shall not apply if RHODIUS has fraudulently concealed a defect or has assumed a guarantee for the quality of the deliverable. The

- same shall apply to claims on the part of the customer under the German Product Liability Act (Produkthaftungsgesetz).
- Notwithstanding deviating provisions in these GTC, the liability of RHODIUS for production downtime, loss of profit, loss of use, loss of contract or any other consequential or indirect damage shall be excluded.
- 6. The customer may withdraw from the contract due to a breach of duty other than a defect only if RHODIUS is responsible for such breach of duty.
- If the liability of RHODIUS is excluded or limited, this shall also apply to its employees, workers, agents and assistants.

#### XI. Payment terms, settlement

- Price information for consumers shall include statutory value-added tax; price information for customers other than consumers shall be exclusive of the respective statutory value-added tax. Unless the contracting parties agree on individual prices, the respective price lists of RHODIUS valid at the time of the order shall apply.
- Remuneration for services and other works shall also be based on the respective price lists of RHODIUS valid at the time of placing the order. The price lists shall be sent to the customer upon request or may be perused by the customer at the business premises of
- The purchase price and other charges shall be due and payable upon handover of the deliverable. A cash discount may be deducted only if this has been explicitly stipulated in text form. A stipulated discount on new invoices shall not be permitted if payment of any older invoices is still outstanding.
- 4. Any deviating agreements on due dates and deductions shall be made in text form.
- If the customer is in default in payment, without prejudice to other rights, RHODIUS shall be entitled to make further deliveries to the customer only against advance payment
- Checks and bills of exchange shall be deemed payment only after they have paid out. Any acceptance of bills of exchange shall in all instances require prior agreement in text form. If bills of exchange are accepted, any bank interest and charges shall be borne and charged by the customer. They shall be paid immediately in cash.
- In case of a negligent failure to pay direct debits, checks or bills of exchange, the customer shall be in default in payment immediately.

  Notwithstanding the assertion of any additional claim for damages, RHODIUS shall be entitled to charge an amount of € 20.00 per culpable failure to honor any direct debits, checks or bills of exchange.
  - The customer may demonstrate that no damage has occurred at all or that the damage was significantly less than the flat rate.
- The customer may offset its own claims only if such claims are undisputed or have been finalized. The same shall apply to the exercise of rights of retention, unless the right of retention is due to intentional or grossly negligent breach of contract by RHODIUS. The customer may furthermore assert a right of retention only to the extent that its rights are based on the same contractual relationship as the claims of RHODIUS against which the customer has asserted the specified rights.

### XII. Data privacy

- RHODIUS shall be entitled to electronically store and process any and all data regarding the customer in connection with the business relationship for the purpose of implementing the contract in compliance with the provisions of the German Federal Data Protection Act (Bundesdatenschutzgesetz).
- RHODIUS and the customer shall retain the unrestricted right of disposal of their respective knowledge and experience, in particular, of the information disclosed to or otherwise made available to the other party by them.
  - By disclosing such information, the recipient does not obtain any rights to them, in particular not the right to register any industrial property rights.
- There shall be no defect due to the infringement of third party property rights, e.g. patents or utility models, if the infringement of property rights is caused by any use that could not have been foreseen by RHODIUS or by the fact that the delivery is modified by the customer or used together with services not provided by the contractor.

#### XIII. Place of performance, jurisdiction

- Place of performance for all obligations of RHODIUS and the customer arising under the contract, including the subsequent performance obligation of RHODIUS and the mutual return obligations in the event of withdrawal, shall be the registered office of RHODIUS in Burgbrohl.
- 2. In the event of any disputes arising under the contractual relationship, if the customer is an entrepreneur, a legal entity under public law or a special fund under public law or if the customer does not have a place of general jurisdiction in Germany, exclusive place of jurisdiction shall be the registered office of RHODIUS in Burgbrohl. In addition, RHODIUS shall be entitled to bring an action against the customer at the customer's place of general iurisdiction.
- The present Terms and Conditions and the entire legal relationship between the contracting parties shall be governed by the laws of the Federal Republic of Germany, under exclusion of the provisions on the United Nations Convention on Contracts for the International Sale of Goods (CISG).