

General Terms and Condition of Business (GTCB)

Dripitex GmbH & Co. KG

Date of issue March 2017

NOTICE

This is a translated version from the original German version of the "Allgemeine Geschäftsbedingungen (AGB)" of Dripitex GmbH & Co. KG. If there are any differences between the understanding of these GTCB and the German original version the latter prevails and is controlling.

§ 1 Scope

1. In addition to other contractual agreements, these GTCB shall exclusively apply to all transactions between us and the purchaser or customer, hereinafter known as the Customer. Even if the service is provided or payment accepted, we shall not acknowledge other terms issued by the Customer unless we expressly agree to their being valid in writing.

This shall also apply to general terms and condition of business other than the general terms and condition of purchasing of the Customer, in particular, but not only, for blanket contracts of supply, quality assurance contracts or service contracts of the Customer if the provisions therein are used on multiple occasions by it and have not been negotiated with us.

2. These GTCB shall only apply to transactions with enterprises in the sense of Section 14 of the German Civil Code [BGB].

3. These GTCB shall also apply to all future business relationships without their having to be included until such time as we produce new general terms of business.

4. All agreements made between us and the Customer as part of contract negotiations must be set out in writing for verification purposes and must be confirmed by both parties.

5. Side-agreements, retrospective contract amendments and the acceptance of a guarantee, particularly assurances of properties or the acceptance of a procurement risk, must be made in writing if they are made by persons who have no rights of representation.

A lack of communication on our part shall not be deemed to be tacit agreement if this results in duties for us.

§ 2 Planning, advice

1. If we supply planning or advice services, the Customer must provide us with all the required or expedient information and documents in full for this purpose.

2. The Customer undertakes to review the plans or advice to ensure they are feasible before implementing them and also review the premises on which such plans or advance are based and to notify us without delay of any objections. This shall also apply to any initial drafts.

3. Our planning and advance services are service-based and shall only cover the services and products we supply. These services shall only constitute solution aids for the Customer and shall not include any guarantee that they are the best or most cost-effective solution aid. They shall not extend to advice outside of the contract, in other words to statements which are made without products being sold or services provided by us.

4. Our oral or written application-based advice shall not exempt the Customer from its duty to carry out its own review of the products and services to ensure that they are suitable for the intended purpose.

5. Our advice services are based on empirical values. Our advice shall be non-binding if it extends to circumstances where we simply cannot know whether items are correct, in other words, for example the composition of the raw material or the work carried out by sub-contractors.

Failure to make statements shall not constitute advice.

6. If the products purchased from us or the services we provide are not defective, their use or processing shall be carried out exclusively at the Customer's responsibility.

§ 3 Formation of Contract

1. Our quotations shall be non-binding, they shall be regarded as a request from the Customer to submit a quotation.

2. In principle the order issued by the Customer shall be regarded as an offer to conclude a contract.

3. We shall accept the order within 4 weeks unless another acceptance deadline has been agreed in the form of an order confirmation signed by us which we will send to the Customer.

4. Our services are set out in the order confirmation.

5. The initial charge for processing a quotation shall generally be zero. Additional quotations and design work shall only be free if the contract is valid and remains so.

6. Descriptions and images of our products and services in technical documents, catalogues, brochures, circulars, advertisements and price lists shall be non-binding unless their inclusion in the contract has been expressly agreed; they shall not release the Customer from conducting its own inspections. Descriptions of products and services on the internet can naturally only be of a general nature; if the Customer wishes to use them to derive binding property agreements or the suitability for use of said products or services for its application, it must make reference to this in the purchase order.

7. All the details for completing the order must be set out in the Customer's order. This applies to all goods, works and other services to be provided by us. These shall particularly, but not exclusively, include details of item designation, quantity, dimensions, material, material composition, pre-treatment, processing specifications, treatment guidelines, storage, standards and all other technical parameters and characteristic physical data.

Missing, incorrect or incomplete details shall be regarded as expressly not agreed and shall not give rise to any obligations on our part, either in the sense of fulfilment and warranty or in the sense of compensation claims.

8. If the order issued by the Customer differs from our quotation, the Customer must specially highlight the differences.

9. We shall be entitled to obtain further information for the purpose of ensuring that the order can be completed properly.

10. Orders should be issued in writing or electronically (EDI); orders placed orally or by telephone shall be completed at the Customer's risk.

11. If the Customer cancels an order which has already been accepted by us, we shall be entitled to charge 10% of the price for the goods or services for the costs incurred by processing the order and for loss of profit, notwithstanding the possibility of claiming higher actual damages. The Customer shall be at liberty to provide evidence that our costs were in fact less than this.

§ 4 Call orders

1. For contracts of supply on call we must be notified of binding quantities at least 3 months before the delivery date unless otherwise agreed. In isolated cases it may be necessary to extend this period, for example due to material lead times.

2. Additional costs incurred by a late call order or retrospective changes to the call order in terms of time or quantity by the Customer shall be borne by the Customer; our costings shall be decisive in this case.

3. Unless otherwise agreed, all call orders must be accepted within one year of the order being placed without this requiring any request to accept such orders. If this deadline passes, we shall be entitled to invoice the goods or services and ship them at the expense and risk of the Customer or to cancel the contract with immediate effect.

§ 5 Modifications

1. A separate contractual agreement shall be required for any modifications to the goods or services requested after the contract has been concluded.

2. We reserve the right to modify the goods or services within reason in the event that we have not received the required information or have received incorrect information. Negative

effects caused by a lack of or incorrect information, in particular additional costs or damages, shall be paid by the Customer.

3. We reserve the right to make technical modifications to the goods or services which do not jeopardise the objective of the contract.

4. Quantity discrepancies which are normal for the industry shall be permitted.

5. Part consignments and part services shall be permitted as long as this does not have a major adverse effect on use and does not jeopardise the objective of the contract. They may be invoiced separately.

§ 6 Delivery or performance period

1. If a lead time has been agreed for the goods or services, this shall commence when we send our order confirmation but not before all details of the order have been clarified and all the Customer's duties of cooperation, such as the procurement of the required official permits or certificates or the payment of a deposit, have been fulfilled properly; the same shall apply to delivery dates for the goods or services.

2. In the event of mutually agreed modifications to the goods or services, new lead times and delivery dates for said goods and services must be agreed.

This shall apply even if fresh negotiations are held about the goods and services after the contract has been concluded without any modification being made to the goods or services.

3. Lead times and delivery dates for the goods and services are agreed subject to the raw materials being supplied to us in perfect condition and promptly and that no unforeseeable production problems are encountered.

4. The lead time for the goods or services shall be deemed to have been met if the goods or services have left our plant by the elapse of the lead time or have been handed over to the transport contractor at our plant or we have notified the Customer that the goods or services are ready for shipment. If an acceptance procedure is required (unless the goods or services are rejected with justification), the date of the acceptance procedure or, if one has not been agreed, notification that the goods or services are ready for acceptance shall be decisive.

5. We shall be entitled to deliver the goods or complete the service before the agreed date.

§ 7 Default on the part of the Customer

1. If the Customer fails to accept the goods or services by the agreed delivery date or lead time or fails to attend an agreed acceptance procedure for reasons that are its responsibility, we may demand compensation for any additional costs we incur as a result.

In particular we shall be entitled to charge the Customer storage costs of 0.5% for every month or part of a month, subject to a maximum total of 5% of the price for the goods or services. Either of the parties to the contract shall be entitled to provide evidence that the actual storage costs were higher or lower than this figure.

2. Furthermore, we shall be entitled to select a suitable storage site at the expense and risk of the Customer and to insure the goods or services at its expense.

3. If we are entitled to demand compensation rather than the completion of the service, we may demand 15% of our price as compensation, notwithstanding the possibility of demanding higher actual damages, unless the Customer can provide evidence that we have not suffered any damages or our damages were considerably lower than this lump sum.

§ 8 Forces majeure

In cases of forces majeure, our lead times and delivery dates shall be extended by the duration of the problem which has occurred.

These shall include circumstances which occur but for which we are not responsible such as war, fire damage, strikes, lock-outs, traffic problems, official orders, plant shut-downs or major operating problems such as lack of material or energy suffered by us, our sub-contractors or suppliers. This shall apply even if we were already in default when these circumstances occurred.

We shall notify the Customer without delay of the start and end of such problems.

If the goods or services are delayed by more than six weeks, both the Customer and we shall be entitled to cancel the contract relating to the scope of the contract affected by the delay. Compensation shall not be payable to the parties to the contract as a result of such circumstances.

§ 9 Terms of payment

1. Unless otherwise agreed, all prices shall be understood in euros, net on an "ex-works" basis, exclusive of statutory value-added tax at the rate in force on the date of the invoice. Additional costs such as packaging, freight, shipment costs, customs duties, installation, insurance and bank charges shall be charged separately.

We shall only provide insurance cover for the goods or services during shipping at the request and expense of the Customer.

2. We shall be entitled to change the agreed price within reason in the event that increases in costs, in particular due to material price changes, occur after the conclusion of the contract. We shall provide the Customer with evidence of the reason for the change of cost on request.

3. We shall be entitled to change the price within reason if changes occur before or during the completion of the order because the information provided by the Customer and the documents supplied by it were incorrect or the Customer requests other modifications.

4. We shall be entitled to demand a reasonable advance payment when the contract is concluded. Interest shall not be payable on this.

If our product is typically installed under the ground, we are entitled to deliver the product only by full advance payment.

5. Unless otherwise agreed, invoices shall be payable within 20 days of receipt on a strictly net basis. They shall be payable without any deductions. In the event that they are not paid, the Customer shall be in default on the due date without this requiring any further warnings.

Discounts and concessions shall only be granted by special agreement.

Part payments shall require separate written agreement.

6. Settlement by bills of exchange shall require separate prior agreement. Discount charges and bills of exchange costs shall be paid by the Customer. Invoice settlement by cheque or bill of exchange shall only be for the purpose of fulfilment and shall not be regarded as payment until they have been redeemed without reservation.

7. If the Customer has several outstanding invoices from us and if payments are not made by the Customer against a specific invoice, we shall be entitled to decide to which of the outstanding invoices the payment shall be assigned.

8. In the event of default, forbearance or part payment, we shall be entitled to charge normal bank interest but at least at a rate of 8 percentage points per annum above the relevant base rate and to withhold further goods and services until all outstanding invoices have been settled. We reserve the right to provide evidence that we suffered higher damages.

9. By placing the order the Customer confirms that it is solvent and creditworthy.

If there is justified doubt about the solvency or creditworthiness of the Customer, for example due to repeated late payments, default or rejected cheques, we shall be entitled to demand security or cash payment on a quid pro quo basis. If the Customer fails to meet this demand within a reasonable deadline which has been set for it, we shall be entitled to cancel the non-fulfilled part of the contract or stop deliveries until we are in receipt of the payments. No such deadline shall be required if the Customer is clearly incapable of providing security, for example if an application has been made to open insolvency proceedings against the Customer's assets.

10. The Customer shall only be entitled to set off against our claims if its counter-claim is undisputed or has been fixed by a court of law.

The assignment of debts payable to us shall require our consent.

11. The Customer shall only have a right of retention if the counter claim is based on the same contract and is undisputed or has been fixed by a court of law or if we commit a major

breach of our duties from the same contract despite receiving a written warning and we have not offered reasonable safeguard.

If a service provided by us is undisputedly defective, the Customer shall only have a right of retention for a reasonable amount relative to the defects and the likely costs for their rectification.

12. The payment deadlines shall remain in force even if delays occur to the delivery through no fault of ours.

13. We shall require a so-called certificate of arrival from the Customer in order to be exempt from value-added tax for deliveries within the European Community. The Customer therefore undertakes to confirm after receipt of the contract goods in writing that, acting in the role of customer, it has received the contract goods which constitute a delivery within the European Community.

14. If value-added tax is not included in our invoice, in particular because we have assumed that the goods have been supplied or the services provided on the basis of a "single market transaction" in the sense of Section 4 No. 1 b together with Section 6a of the German Value-Added Tax Law [UStG], and we are retrospectively charged with a value-added tax debt (Section 6 a IV of the Value-Added Tax Law), the Customer undertakes to reimburse us with the amount which has been charged to us. This duty shall apply regardless of whether we are retrospectively charged with value-added tax, import value-added tax or comparable taxes in Germany or elsewhere.

15. We shall be entitled to demand a reasonable advance payment when the contract is concluded. Interest shall not be payable on this.

§ 10 Place of fulfilment, transfer of risk, acceptance

1. The place of fulfilment for the services and payments specified in the order shall be our registered office.

2. Unless otherwise agreed, delivery ex works shall apply in accordance to the clause EXW of the INCOTERMS 2010. If to the Customer's request we send the goods to an other place than the place of fulfilment, the risk of destruction, loss or damage shall be transferred to the Customer when the goods are dispatched or they have been handed over to the haulage contractor.

3. If an acceptance procedure is required, it shall be decisive for the transfer of risk. It must be conducted promptly on the acceptance date and if no such date has been agreed, after notification that the goods or services are ready for the acceptance procedure.

The Customer may not refuse acceptance if the goods or services have a minor defect.

If the acceptance procedure is delayed or not conducted as a result of circumstances which are not our fault, the risk shall be transferred to the Customer on the date on which it is notified that the goods or services are ready for the acceptance procedure. In this case, the acceptance procedure shall be deemed to have been completed two weeks after notification that the goods or services are ready for the acceptance procedure.

4. Unless agreement has been made to the contrary, we shall determine the type and scope of packaging. Single use packaging must be disposed of by the Customer.

5. If the goods are shipped in loaned packaging, the packaging must be returned free of charge within 30 days of receiving the shipment. The Customer must pay compensation for any loss or damage to the loaned packaging.

Loaned packaging must not be used for any other purposes or for holding other goods. They may only be used for transporting the supplied goods. Labels on loaned packaging must not be removed.

6. In the event of the consignment being damaged or lost en route, the Customer should carry out an inspection immediately and notify us of the results. Claims relating to any transport damage must be made without delay to the forwarder by the Customer.

§ 11 Duty to inspect and complain

1. The Customer must inspect the goods or services immediately after delivery for signs of obvious defects and transport damage and notify us of any defects and damages it identifies

immediately after their discovery. If a defect is identified at a later time on the goods or services, the Customer must also notify us without delay of its discovery. Otherwise the goods or services shall be deemed to have been approved in relation to this defect.

Complaints must be made in writing. A complaint in text form, for example by email, shall be inadequate.

2. Defective goods or services must not be used. If it was not possible to detect a defect on receipt of the goods or after the provision of the service, all further use of the goods or services must be stopped immediately after the discovery of the defect.

3. The Customer shall provide us with sufficient time to inspect the defect. In the event of unjustified complaints, we reserve the right to charge the Customer with the inspection costs we have incurred.

4. The complaint shall not exempt the Customer from its duty to comply with its payment obligations.

§ 12 Warranty

1. If our goods or services were suffering from a defect at the time of the transfer of risk, we shall be entitled at our discretion to rectify the defect, supply replacement goods or provide the Customer with a credit note within a reasonable period of time. Only in urgent cases of endangering operational safety or preventing disproportionately major damage shall the Customer be entitled, if it has notified us without delay and we have refused to provide refulfilment within the short deadline specified by it, to rectify the defect itself or have it rectified by third parties and demand compensation from us of the costs incurred as a result.

2. Claims by the Customer based on the incorrect treatment or use of the products shall be excluded.

This shall also apply in the event that the damage is caused by the specific properties of the soil or other conditions in the growing area which are not our responsibility.

3. When laying our products, our technical manual, in particular the instructions contained therein, must be observed.

If the Customer does not make the laying himself, he is obliged to pass this information to the layer. We cannot accept any liability for damage resulting from the non-observance of our technical manual and/or our instructions.

4. If our products are mixed or connected with the Customer's products or products supplied by other manufacturers or other third parties, we cannot accept any liability for damage caused by this to the contract product or the Customer's or third parties' products unless said damage was caused by a defect in our product or a breach of another contract duty by us and for which we are responsible.

5. In the event that the goods are outsourced products or outsourced products are installed or otherwise used in our products, we shall be entitled to limit our liability initially to the assignment of warranty claims which we are due from the supplier of the outsourced products unless satisfaction from the assignment right fails or the assigned claim cannot be enforced for other reasons. In this case the Customer shall be entitled to the rights set out in Paragraph 1 above.

6. Claims by the Customer relating to the costs required for the purposes of repeat fulfilment, in particular transport, travelling, labour and material costs shall not be permitted if these costs are increased because the goods or services were subsequently transported to a place other than the agreed delivery address.

7. The same warranty provisions shall apply to replacement services and refinished goods as for the goods or services supplied originally.

8. Replaced parts shall become our property.

§ 13 Deficiencies in Title

1. Orders based on drawings, sketches or other information given to us shall be executed at the risk of the Customer. If we infringe third-party intellectual property rights as a result of the execution of such orders, the Customer shall hold us harmless of all claims of the holders of these rights. The Customer shall bear all further costs and losses.

2. Our liability for any infringement of intellectual property rights which relate to the use of the goods or services or to the connection or use of the goods or services with other products shall be excluded.

3. In the event of deficiencies in title, we shall be entitled, at our discretion:

- To obtain the required licences relating to the infringed intellectual property rights
- or to rectify the deficiencies of the goods or services by providing goods or services which have been modified to an extent which is reasonable for the Customer to accept.

4. Our liability for the infringement of third-party intellectual property rights shall only extend to such intellectual property rights which have been registered and published in Germany.

§ 14 Liability

1. We shall only accept liability for the outstanding accounts of the company up to the value of the company's assets.

2. In the event of simple negligence we shall only accept liability for a breach of a major contract duty. For gross negligence we shall also accept liability for breaches of non-major contract duties.

In the above cases liability shall be limited to the foreseeable damages which are typical for these contracts.

3. In the event of assured properties, our liability shall be limited to the scope and the amount of our product liability insurance policy. The scope of coverage corresponds to the recommendations issued by the Gesamtverband der Deutschen Versicherungswirtschaft (German Insurance Association). The level of coverage for the claims covered in the insurance policy shall be EUR 2 million per insurance year.

4. Compensation claims due to a malicious breach of contract duties by us, claims for bodily injury and claims under the Product Liability Law shall be subject to the statutory regulations.

5. For claims in tort we shall be liable in accordance with contractual liability; restrictive liability agreements from the contract shall also apply for dealings with the Customer.

6. Any further liability for compensation other than as provided above shall be excluded.

7. Recourse claims on the part of the Customer against us shall only exist as long as the Customer has not made any agreements with its clients which go beyond the statutory defect and compensation claims.

8. Our liability shall be excluded if the Customer has effectively limited its liability to its own clients.

9. If our liability is excluded or limited, this shall also apply to the personal liability of our staff, workers, colleagues, representatives, agents and vicarious agents.

10. If liability is excluded or limited under the provisions set out above, the Customer also undertakes to hold us harmless from claims by third parties.

11. The statutory provisions shall otherwise apply.

12. The Customer undertakes to notify us in writing without delay of any claims lodged by third parties and to reserve our right to use all possible means of defence and settlement negotiations.

§ 15 Statute of limitations

1. The statute of limitations for claims and rights relating to defects affecting our products, services or works services and resultant damage shall be one year. The start of this statute of limitations period is based on the statutory regulations.

The above statute of limitations reduction shall not apply if the law specifies longer periods in cases pursuant to Sections 438 Para. 1 No. 2, 479 and 634 a Para. 1 No. 2 of the German Civil Code [BGB].

2. The statute of limitations set out in number 1, sentence 1 above shall also not apply in cases of malice if we have deliberately not told you about the defect or have guaranteed a specific property, or for compensation claims due to bodily injury or loss of freedom of a person, for claims under the Product Liability Law and for a grossly negligent breach of duty.

3. Refulfilment action shall not interrupt the statute of limitations for the original provision of the service nor shall it cause the statute of limitations to restart.

§ 16 Transfer of title

1. We reserve title to all goods and services until all our claims from our business relationship with the Customer have been settled in full.

2. If our property is processed, connected or mixed with property owned by others, we shall acquire title to the new item as set out in Section 947 of the Civil Code.

3. If the processing, connection or mixing takes place in such a way that the third party property is regarded as the main item, we shall acquire title as a proportion of the value of our goods or services to the other goods or services at the time of the processing, connection or mixing.

4. If we acquire title to an item as a result of our goods or services, we shall reserve title to this item until all our outstanding claims from our business relationship with the Customer have been settled in full.

5. The Customer undertakes to keep the reservation of title goods safely and, if necessary, to complete any servicing and maintenance work at its expense promptly. The Customer must insure the reservation of title goods at its own expense against loss and damage. Any security claims accrued in the event of damage must be assigned to us.

6. The Customer shall be entitled to resell the item which is our (joint) property as part of its normal business as long as it fulfils its duties from its business relationship with us. In this event a proportion of the claim resulting from the sale shall be assigned to us to cover the value of the reservation of title services provided by us to the total value of the sold goods. The Customer shall retain entitlement to collect this claim even after this assignment. Our authority to collect these claims ourselves shall not be affected.

7. The right on the part of the Customer to dispose of the goods subject to our reservation of title and to collect the claims assigned to us shall become null and void as soon as the Customer fails to meet its payment duties or an application is made to open insolvency proceedings against its assets. In the above cases and in the event of any other action by the Customer in breach of the contract, we shall be entitled to take back any goods supplied with reservation of title without notice.

8. The Customer shall notify us without delay if there are any risks to our reservation of title goods, particularly in the event of insolvency and enforcement action. At our request the Customer must provide all the required information about the goods which are our (joint) property and about the claims assigned to us and must notify its clients of said assignment. The Customer shall provide us with support in all action required to protect our (joint) property and shall pay the costs of any such action.

9. We shall have a right of seizure for all the Customer's goods which are in our possession due to the contract to cover all our claims from the contract. This right of seizure may also be used for claims from goods or services supplied earlier if they are linked to the goods or services in question.

The right of lien shall apply to other claims from our business relationship as long as they are undisputed or have been fixed by a court of law. Sections 1204 ff. of the German Civil Code and Section 50 Para. 1 of the German Insolvency Regulation shall apply as and where appropriate.

10. If the realisable value of the securities exceeds our claims by more than 15%, we shall release securities covering the excess value at our discretion at the request of the Customer.

§ 17 Confidentiality

1. The Customer undertakes to treat all aspects of the business relationship which require protection in confidence. In particular, it shall treat all commercial and technical details which are not part of the public domain and which come to its attention as a result of the business relationship as confidential. Information or aspects of the business relationship which were already part of the public domain at the time of their disclosure shall not come under the confidentiality obligation nor shall information or aspects of the business relationship for which the party to the contract can provide evidence to the effect that it already knew the information before the disclosure of it by us.

The Customer shall ensure that its personnel shall also be subjected to appropriate confidentiality agreements.

2. We reserve all title rights and copyrights to supplied illustrations, drawings, calculations, samples, estimates and other (technical) documents and information.

3. The documents provided to the Customer may only be copied if required for operational requirements and in accordance with copyright regulations.

All documents may not be disclosed to third parties in full or in part or used for purposes other than those for which they were supplied to the Customer without our written consent.

4. The disclosure even in part of the business relationship with us to third parties shall only be possible with our prior written consent; the Customer shall subject the third parties to a confidentiality agreement of the same type and scope.

5. The Customer may only advertise its business relationship with us with our prior written consent.

6. The Customer undertakes to maintain this confidentiality even after the end of the business relationship.

§ 18 Risk of suitability for export and import

If the export of ordered products has not been agreed by us, we shall not be under any obligation to check whether the products supplied by us require an export licence.

The risk of whether the ordered products may be exported or imported shall be borne by the Customer. It is the duty of the Customer to check this, for example by means of an inquiry to the Federal Office of Economics and Export Control (BAFA) in Eschborn near Frankfurt am Main.

§ 19 Place of jurisdiction and applicable law

1. If the Customer is a businessman, the place of jurisdiction shall be our registered office or the Customer's place of jurisdiction at our discretion.

2. The laws of the Federal Republic of Germany shall be exclusively applicable to our business relationships with the Customer. The applicability of the CISG "United Nations Convention on Contracts for the International Sale of Goods" shall be excluded.

3. If individual parts of these general terms and conditions of business are invalid, this shall not affect the validity of the other provisions.

4. We shall be entitled to process data in accordance with the German Federal Data Protection Law.

§ 20 Contact data

Dripitex GmbH & Co. KG
Am Bahnhof 54
27239 Twistringen
Germany

Managing Directors: Thomas Roess

Phone: +49 (0) 4243 9288-80
Fax: +49 (0) 4243 9288-22

Email: info@dripitex.de
Internet: www.dripitex.de

Court of registration: Walsrode Local Court HRB 202840

Personally liable partner:

Dripitex-Beteiligungs GmbH
Am Bahnhof 54
27239 Twistringen

Court of registration: Walsrode Local Court HRB 205466