

## 1. Scope, Offers, Rights to documents

1.1 All offers and the supply of goods by C&S shall be solely governed by the following terms and conditions. C&S hereby expressly rejects any general terms and conditions of Buyer deviating from those set forth below; this shall hold true even if C&S does not expressly reject such terms and conditions for a particular order.  
1.2 C&S's offers are non-binding. A contract shall only be made when C&S has confirmed an order or delivered an order.  
1.3 C&S reserves unrestricted title and exploitation rights in installation and application proposals, product data sheets and other material presented by C&S in support of an offer. Such documents shall not be made available to third parties without C&S's prior written consent.

## 2. Prices

2.1 All prices shall be FCA Zorneding plus any sales tax applicable at the time of delivery.  
2.2 If at any time between order confirmation and delivery, manufacturing or raw material costs for orders C&S scheduled for delivery more than two months after C&S's order confirmation change due to circumstances beyond C&S's control, C&S shall have the right to reasonably adjust the agreed price.

## 3. Terms of Payment

3.1 Payment shall be done 14 days net without any deductions upon delivery and receipt of invoice.  
3.2 Unless otherwise agreed in writing, payments will be overdue 15 days after the date of invoice and of the delivery, respectively. C&S may, without prejudice to any other rights, withhold further deliveries and claim interest at 8 % above the base interest rate as per Section 247 I BGB (German Civil Code). This notwithstanding, C&S may at any time without providing a reason therefore withhold delivery until payment is made.  
3.3 Buyer may only set off claims, which are undisputed or recognised by declaratory judgement, against C&S's claims for payment.

## 4. Delivery Dates

4.1 Dates for the delivery of goods are based on the actual availability. A delay of the delivery time caused by one of our supplier, e.g. Clariant SE, implicates a delay of the delivery time to C&S customers. C&S is entitled to partial and/or early shipments and performance.  
4.2 Compliance with delivery dates for goods is conditional upon timely receipt of necessary authorisations, documents to be supplied by Buyer, releases, declarations and payments due, as well as the timely fulfilment of Buyer's other obligations. Otherwise said delivery dates shall be reasonably extended. C&S may rescind a contract if any export or import documents required for delivery to Buyer are not issued or if one of C&S's suppliers does not deliver as ordered or on time.  
4.3 If non-compliance with a delivery date is caused by force majeure, industrial dispute, unforeseeable hindrances or other circumstances beyond C&S's control, said dates shall be reasonably extended.  
4.4 If a delivery date has not been confirmed in writing as binding, C&S will only be placed in default by Buyer's written request for delivery, which may not be sent earlier than one month after such date.  
4.5 In the event C&S does not comply with a delivery date confirmed in writing as binding or with Buyer's request in accordance with Clause 4.4 for reasons other than those stated in Clauses 4.2 and 4.3 above, Buyer may rescind that part of the contract which covers the delivery in delay as far as C&S is responsible therefore, provided that Buyer has served a written notice granting a reasonable extension of not less than 2 (more) weeks and stating its intention to withdraw from the contract in case this is not met. Should C&S be in delay with regard to only part of a delivery due, Buyer may only rescind the entire contract if partial performance is of no interest to it. Other claims exist only as stated in Clause 10 (Liability).  
4.6 On C&S's request, Buyer shall within a reasonable period of time assert whether because of the delay in delivery Buyer requires the contract and/or claims damages according to Clause 4.7 in lieu of performance or still wishes performance.  
4.7 To the extent that delivery is impossible, Buyer is entitled to claim damages unless the impossibility is due to reasons beyond C&S's control. Buyer's claim for damages is limited to 10 % of the value of the part of the delivery, which cannot appropriately be used because of the frustration.  
4.8 If Buyer causes C&S's delay in delivery by default in acceptance, the goods will be stored at Buyer's risk and expense.

## 5. Transportation and Transfer of Risk

Transportation shall be ex works at Buyer's risk and expense even if C&S arranges for transportation. The same shall apply to returns, if any, without prejudice to Clause 8.9 below. C&S shall select the carrier. Risk shall at the latest pass to Buyer when the goods are handed over to the carrier and delivery is hereby completed, if the Buyer is a company or an entrepreneur.

## 6. Excess or Short Deliveries

Buyer shall accept excess or short deliveries to a maximum of 3% of the acknowledged quantity.

## 7. Reservation of Title

7.1 All goods delivered to Buyer shall remain C&S's property (Goods with Title Reserved) until all claims by C&S relating to business transactions with Buyer and outstanding at the time of delivery have been settled in full.  
7.2 Buyer shall be entitled to resell or process Goods with Title Reserved in the normal course of its business, provided it does not default on its payments to C&S. Buyer is not entitled to pledge or transfer as security title to any Goods with Title Reserved.  
7.3 Buyer hereby assigns to C&S all claims arising in relation to Goods with Title Reserved either from resale thereof or on any other legal grounds (e.g. tort), in an amount equal to their invoiced value. This shall also apply to the balance of any agreed current account. C&S authorizes Buyer to collect in Buyer's name but on C&S's account claims thus assigned to C&S. C&S shall be entitled to revoke such authorization to collect and require that Buyer discloses all such claims if Buyer is in delay with any payment due to C&S, if judgment enforcement proceedings are brought against Buyer, in case of substantial deterioration of Buyer's assets or in case of insolvency proceedings.  
7.4 If a third party attempts to seize Goods with Title Reserved, Buyer shall inform the third party that such goods are the property of C&S and shall immediately notify C&S. If Buyer fails so to notify C&S, C&S shall be entitled to claim all amounts outstanding immediately. To the extent that delivery has not taken place, C&S shall have the option to deliver immediately and/or to withhold delivery until payment is made.  
7.5 Any processing or treatment of Goods with Title Reserved shall be undertaken by Buyer on C&S's behalf. C&S shall acquire title to the product of such processing or treatment in the amount of the market value of the Goods with Title Reserved at the time they are processed or treated.  
7.6 If Goods with Title Reserved are combined with other goods, C&S acquires pro rata joint ownership of the new product proportional to the value of the Goods with Title Reserved as compared to that of the other goods at the time of processing. If another good is deemed the major item in the processing, it is hereby agreed that Buyer shall, to the extent that it owns the new product, grant C&S joint ownership in the new product proportional to the value of the Goods with Title Reserved as compared to the value of the new product.  
7.7 At Buyer's request, C&S shall release securities to the extent that their value exceeds the claims they secure by more than 20%.

7.8 In case of Buyer's breach of contract, in particular default in payment, C&S is entitled to rescind the contract and/or recover the Goods with Title Reserved. Buyer is obligated to return the Goods with Title Reserved. In order to recover the Goods with Title Reserved, C&S may enter Buyer's premises where these are stored, and subsequently store them or have them stored for C&S.  
7.9 The recovery of Goods with Title Reserved does not require that C&S rescind the contract; a rescission requires C&S's express statement to that end.

## 8. Material Defects

8.1 If during the limitation period in Clause 8.4 a contractual good shows a defect, which already existed at the time of transfer of risk, C&S will at its option and expense repair the defect or supply as a replacement at least a refurbished product of corresponding quality.  
8.2 A contractual good is defective, if it does not conform to the written agreement between C&S and Buyer; the lack of a feature, which Buyer expects because of C&S's public statements, in particular in advertising, only constitute a defect if such feature was listed in such written agreement. In the absence of a written agreement a good is only defective if it does not conform to C&S's product data sheets.  
8.3 Buyer's claims for defects are excluded:  
- for development samples, prototypes and preproduction deliveries;  
- for insignificant divergences from the agreement or product data sheet;  
- for insignificant reductions in usability;  
- for damages caused after the transfer of risk by external influences such as fire, water, currency surge, etc.;  
- improper installation, operation, use or maintenance; use in fields of application and environmental conditions other than those expressly specified by C&S; and use in combination with other products not approved by C&S for this purpose, excessive stress of normal wear and tear;  
- for Buyer's or a third party's improper alterations of contractual goods and results therefrom;  
- in as far as Buyer has not notified C&S of apparent defects within 5 business days of delivery and of hidden defects within 5 business days of discovery.

8.4 The limitation period for warranty claims is 12 months in case of delivery to a company or entrepreneur, 24 months in case of delivery to an end user. In the event that a product fitted into a building in accordance with its

ordinary use causes any damages thereto, the limitation for such warranty claims is 5 years. Repeat performance does not restart the limitation period.

8.5 During negotiations between Buyer and C&S regarding Buyer's rights because of an alleged defect, the statute of limitation shall only be suspended with regard to this alleged defect. Negotiations, which suspend the statute of limitation, commence upon C&S's receipt of written notification of the alleged defect. Negotiations, which suspend the statute of limitation, end when C&S has repeated performance or such repeat performance has failed, when one party notifies the other in writing that it terminates the negotiations, or 3 months after the last statement of one party regarding the alleged defect was received by the other party.

8.6 Buyer has to always first provide C&S the opportunity to repeat its performance within a reasonable period of time. Repeat performance does not constitute acceptance of a legal obligation.

8.7 If the repeat performance fails even within an additional period of time of reasonable length to be granted by Buyer, Buyer shall, notwithstanding its claims under Clause 10, if any, be entitled to rescind the contract or to claim a price reduction.

8.8 Buyer's claims for compensation for expenses necessitated by C&S's repeat performance, in particular transportation, travel, labor and material costs, are excluded as far as such are increased because contractual goods have been moved from the original place of delivery other than in line with the regular use of the goods known at the time the contract was entered into.

8.9 If the analysis of an alleged defect shows that it is not covered by the above warranty, C&S shall charge for the failure analysis and repair, if any, at C&S's then applicable rates; in this case, the shipment costs for the return of goods will not be reimbursed and their return shall be at Buyer's expense and risk.

## 9. Intellectual Property Rights; Defects in Title

9.1 If a third party brings a legitimate claim against Buyer for infringement of an intellectual property right (e.g. a patent, copyright, or trademark) valid in the country of delivery location, C&S shall be liable to Buyer during the time period in Clause 8.4 as follows:

- C&S shall at its expense and discretion either procure for Buyer the right to continue to use such goods or replace or modify such goods so that there is no longer an infringement. If this is not possible with reasonable means, Buyer shall be entitled to the statutory rights to rescind the contract or reduce the price. Buyer cannot demand reimbursement for expenses incurred in vain.

- The liability for damages is in accordance with Clause 10.

- C&S's above obligations exist only to the extent that Buyer has promptly and in writing informed C&S of the claims asserted by the third party and has not recognized an infringement of the third party's rights, and as far as the entire defense and the settlement negotiations are reserved for C&S. If Buyer discontinues the use of goods for damage reduction or other important reasons, Buyer is obligated to point out to the third party that the discontinuation of use does not constitute an acknowledgment of an infringement of intellectual property rights.

9.2 Buyer's claims are excluded as far as Buyer is responsible for the infringement of the intellectual property rights.

9.3 Buyer's claims are furthermore excluded to the extent that the infringement results from compliance with Buyer's product data sheets and to the extent that the infringement results from the modification of a contractual good, the combination of a contractual good with other items or the use of contractual goods or parts thereof in a process, provided that the contractual good as such does not infringe the intellectual property right.

9.4 In addition, Buyer's claims are excluded for infringing acts after Buyer has been warned or has otherwise become aware of a possible infringement, unless C&S has in writing agreed to further infringements.

9.5 If a claim as stated in Clause 9.1 is brought against Buyer, C&S shall be entitled to rescind the contract with regard to outstanding deliveries.

9.6 The sale of contractual goods does not include a license to use C&S intellectual property rights, which cover a combination of products or products respectively processes, in which the contractual goods are used or can be used.

9.7 Clause 8 applies to all other defects in title.

9.8 All claims against C&S and its agents because of a defect in title, which go beyond or differ from those in this Clause 9, are excluded.

9.9 Buyer likewise is liable to C&S, if claims are alleged against C&S because of an alleged infringement of intellectual property rights, which are based on C&S's compliance with Buyer's instructions or modification of products for Buyer.

## 10. Liability

10.1 C&S is only liable for damages caused by slight negligence if such are due to the breach of a material contractual obligation (cardinal duty) in a manner endangering the purpose of the contract.

10.2 In cases of Clause 10.1, the liability is limited to the damage, which is typical for such contracts and which could have been foreseen.

10.3 C&S's liability is also limited to the damage, which is typical for such contracts and which could have been foreseen for damages caused by the gross negligence of an agent or an employee of C&S, who is not an officer or executive of C&S.

10.4 Buyer's claims for damages shall be time-barred in case of material defects or defects in title in accordance with Clause 8.4, in other cases at the latest 2 years from the point in time the claim arose and Buyer became aware thereof. Regardless of Buyer's awareness, claims for damages are at the latest time-barred 3 years after the damaging event. This does not apply to liability for intent, fraudulently concealed defects or personal injury or freedom.

10.5 With the exception of liability under the Product Liability Law, for defects after having given a guarantee, for fraudulently concealed defects and for personal injury, the above limitations of liability shall apply to all claims, irrespective of their legal basis, in particular to all claims based on breach of contract or tort.

10.6 The above limitations of liability also apply in case of Buyer's claims for damages against C&S's employees or agents.

## 11. Free Technical Support

11.1 C&S, its employees and/ or agents may at various times provide technical support and/or make suggestions or recommendations and/or give advice to Buyer ("Support") in connection with goods delivered hereunder, their installation, operation, use, interoperability, etc. Such Support may be in writing or verbal and may be given in response to specific questions or requests for assistance or otherwise.

11.2 Any Support will be given in good faith; C&S does not, however, warrant or guarantee the correctness, adequacy or suitability of the Support, and it shall be Buyer's sole responsibility to assess the Support and whether or not to accept, act on or implement the same. If Buyer does elect to do so, C&S shall have no liability to the Buyer for any loss or damage suffered as a result, whether in contract, tort (including negligence) or otherwise, and Buyer shall hold C&S harmless against third party claims, if any.

## 12. Further Distribution

Contractual goods are not provided to Buyer for further distribution, but exclusively for Buyer's own use or integration into Buyer's products, unless otherwise agreed in writing.

## 13. Miscellaneous

12.1 There are no oral agreements; any additions or modifications hereto must be made in writing. This also applies to any waiver of this requirement of written form.

12.2 C&S's not exercising any of its rights hereunder does not constitute a waiver of its right to exercise such right in the future.

12.3 Any assignment of rights and claims with the exception of claims for payment is subject to the other party's prior written approval.

12.4 If any provision in these terms and conditions or part of any provision shall be or become invalid, the other provisions as well as the other part of the provision shall remain valid.

12.5 German law applies with the exception of its conflict of laws rules. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.

12.6 If Buyer is a registered merchant (Vollkaufmann), public legal entity (juristische Person des öffentlichen Rechts) or Federal Special Fund (öffentlich-rechtliches Sondervermögen), venue shall be Munich except in case of an exclusive venue. C&S may, however, sue Buyer at its principal place of business.

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Subject to Change.