

General Conditions of Sale of Kabeltrommel GmbH & Co. KG und KTG Europe GmbH

The following Conditions form an integral part of the offers and order confirmations of the Kabeltrommel GmbH & Co. KG and KTG Europe GmbH companies and shall apply to the sale of cable and rope drums ("Single-use Drums"), packaging materials, accessories and services. The current version of the Terms and Conditions for the Use of Cable and Rope Drums shall apply to any cable and rope drums that are marketed using the leasing system of Kabeltrommel GmbH & Co. KG.

§ 1 Scope of application

Unless expressly stipulated otherwise in the specific case, these General Conditions of Sale shall apply to all contracts, declarations of contract, deliveries and services of KTG companies (hereinafter also referred to as "KTG"). These General Conditions of Sale shall also apply to all future deliveries, services and offers of KTG, even if they have not specifically been agreed once more, or the Purchaser uses different conditions of sale. Such deviating conditions of the Purchaser and secondary agreements shall only be binding if KTG has agreed to them in writing. Even if KTG makes reference to correspondence that contains the Purchaser's general terms and conditions of business or those of a third party or makes reference to such, this shall not constitute an agreement to the validity of such terms. However, these conditions shall not apply to consumers within the meaning of section 13 of the German Civil Code (BGB).

§ 2 Offer, order confirmation

- (1) Offers will always be made without obligation and will also not be binding for subsequent orders. All offers shall be valid for ten (10) days unless agreed otherwise. A purchase order shall be binding for KTG if KTG is in a position to confirm the order in terms of quantity, items, delivery time and similar. KTG shall be entitled to withdraw from the contract should it not be possible to procure the necessary raw materials to execute the order.
- (2) Any supply contracts (order and acceptance) shall be made in writing. Should other understandings and agreements be reached in individual cases, these shall be immediately and individually confirmed in writing. Purchase orders must match the offer made by KTG or contain explicit references to any differences.

§ 3 Delivery

- (1) Unless binding delivery times have been agreed, any delivery times quoted are approximate times of supply ex works once all the manufacturing requirements have been fulfilled. KTG shall not warrant any specific transport time.
- (2) Meeting agreed delivery dates will be dependent upon the Purchaser fulfilling the obligations to cooperate incumbent upon them (in particular, receipt of all documents, plans, data and approvals the Purchaser needs to provide).
- (3) Unless otherwise agreed, the Purchaser shall schedule and accept delivery of any call-off orders within six (6) months of contract conclusion or order confirmation by KTG. At the end of the period for accepting delivery, or if the Purchaser has not made use of an agreed call-off within six (6) months after the order has been placed, KTG shall be entitled, at its discretion, after setting a grace period of two (2) weeks, to demand immediate acceptance of delivery and payment for the goods or to withdraw from the contract, or demand that damages be paid because of a failure to perform the contract.
- (4) *Force majeure*, industrial disputes, civil unrest, government intervention and other unforeseeable and serious events shall release the contractual parties from their contractual obligations for the duration of the disruption and to the extent of their effect. *Force majeure* etc at a supplier of KTG and a resultant delayed delivery by KTG shall be the equivalent to KTG being impacted directly. The contractual parties are obliged as far as is reasonably possible to provide the necessary information straight away and to adjust their obligations in good faith to take account of the change in circumstances. KTG shall be released from its obligation to supply if *force majeure* renders the ability to supply impossible. The Purchaser shall not be entitled to claim compensation in such cases.
- (5) Should KTG fall behind with their contractual obligations, KTG shall accept any liability only for the direct damage caused by the delay as deemed foreseeable in line with the industry standard. Provided KTG has not acted with intent or gross negligence, KTG shall only be liable for each complete week of delay within the limits of a lump-sum compensation of 0.5% of the delivery value, though up to a maximum not exceeding 5% of the delivery value of the delayed goods or services. No liability shall be accepted for line stoppage, loss of profit or for any indirect losses caused by the delay or for any other consequential and pecuniary losses. This shall not apply in the case of gross negligence or intent.
- (6) If the Purchaser should be in default or culpably breaches its obligations to cooperate, or a delivery is delayed for other reasons for which the Purchaser is responsible, KTG shall be entitled to demand any losses they have incurred, including any additional expenditure. The right to assert further claims or rights remains reserved. If these conditions are met, the risk of accidental loss or deterioration of the object of sale shall pass to the Purchaser from the moment in which the latter defaults taking delivery or debt obligations.
- (7) The risk of accidental loss and of accidental deterioration of the goods shall pass to the Purchaser upon handover, at the latest. In the case of sale by shipment, however, the risk of accidental loss or deterioration of the goods and the risk of delay shall already be transferred upon dispatch to the transport company, freight forwarder or other person or organisation entrusted with performing the shipment. If an acceptance inspection has been agreed, this shall be decisive for the transfer of risk. Furthermore, the statutory regulations shall apply accordingly to an agreed acceptance inspection. If the Purchaser is in default of acceptance, this shall be equivalent to a handover or an acceptance inspection, respectively.

§ 4 Information about dimensions, properties and weights

- (1) Any variations in quality, weight, dimensions, appearance or colour usual in the trade, caused by climate or raw materials or production remain reserved.
- (2) Drums or packaging materials produced from the natural product wood may contain harmful organisms. At the Purchaser's special request, the wood can be heat treated in accordance with the generally accepted ISPM 15 standard for the control of potentially harmful organisms. Items treated accordingly will be marked with the IPPC stamp.

§ 5 Prices and payments

- (1) All prices will be based on the cost situation at the time the order is placed. If the agreed delivery takes place four (4) months after the purchase order has been placed, and material, wage or other costs increase up to the day of delivery, KTG shall be entitled, based on its original price calculation, to apply reasonable surcharges for the cost increases incurred.
- (2) The prices are ex works KTG (Incoterms 2020) plus the applicable rate of VAT. Unless otherwise agreed, the Purchaser shall bear the costs of packaging and freight.
- (3) Invoices issued by KTG shall be due for payment immediately after invoicing and delivery or performance of the service, respectively.
- (4) The Purchaser may only set off against, or withhold payments because of, undisputed or legally established counterclaims.
- (5) If KTG becomes aware of circumstances which give rise to serious doubts as to the solvency or creditworthiness of the Purchaser, KTG shall be entitled, irrespective of the agreed payment period, to call in all outstanding – even deferred – invoiced amounts immediately and to make any further supply of goods to the Purchaser subject to advance payment or value-based security.

§ 6 Retention of title

- (1) The goods shall remain the property of KTG until full payment of all – even future – claims arising from the business relationship, including ancillary claims and claims for damages.
- (2) The retention of title shall also be effective if individual claims of KTG are included in a current invoice and the balance is calculated and acknowledged.
- (3) If the goods subject to reservation of title are processed to form a new movable object or used as transport packaging by the Purchaser, such processing or use for KTG shall be made without imposing any obligation on the latter. The new item shall become the property of KTG. In the case of processing, use or combination with goods not belonging to KTG, KTG shall acquire co-ownership of the new item based on the ratio of the amount invoiced for their reserved goods in relation to the total value of the new item.
- (4) The Purchaser shall only be entitled to resell, process, use or install the reserved goods provided that the following provisions are met and only on the condition that the claims are transferred to KTG in accordance with the following provisions of § 6 (5).

- (5) The Purchaser hereby assigns the claim with all ancillary rights resulting from the resale of the reserved goods – including any outstanding balance claims – to the supplier.
- If the goods have been processed, used, mixed or commingled, and KTG has acquired co-ownership in the amount of the invoiced sum, they shall be entitled to claim the purchase price proportionate to the value of their rights to the goods;
 - If the Purchaser has sold the claim as part of genuine factoring, KTG's claim shall become due immediately, and the Purchaser shall assign the claim against the factor, which has replaced the former claim, to KTG and forward its proceeds of sale immediately to KTG;
 - KTG shall accept the preceding assignments.
- (6) The Purchaser shall be authorised to collect the assigned claims as long as the Purchaser meet their payment obligations. The authorisation to collect shall expire in the event of revocation, but at the latest in the event of a delay in payment by the Purchaser, or in the event of a significant deterioration in the Purchaser's financial situation. In case this will happen, the Purchaser hereby authorises KTG to inform the recipients of the assignment and to collect the claims itself.
- (7) If the value of the security existing for the KTG suppliers exceeds all claims by more than 20%, KTG shall be obliged to release securities at their option when requested by the Purchaser or by a third party affected by KTG's excess security.
- (8) The reserved goods or claims assigned, respectively, may not be pledged or transferred by way of security. KTG shall be notified immediately of any seizure, giving details of the pledgee.
- (9) KTG may satisfy its claim from reserved goods taken back by sale in the open market.

§ 7 Obligation to give notice of defects

- (1) The Purchaser shall notify any obvious defects, the delivery of other objects, or the delivery of too small a quantity, straight away in writing, at the latest seven (7) days after receipt of the goods at the place of destination.
- (2) Hidden defects shall be notified in writing immediately, at the latest within seven (7) days of discovering the defect.
- (3) In the case of deliveries according to sample, notifications of defects shall be excluded, even due to hidden defects, if the delivered goods correspond to the sample.
- (4) Transport damage must be noted on the bill of lading and the delivery note and confirmed by the driver with a signature.

§ 8 Material defects, shortfall in quantities

- (1) If KTG has to deliver according to the Purchaser's drawings, specifications, samples etc., the Purchaser shall bear the risk that the drawings, specifications, samples etc. provided are suitable for the intended use.
- (2) In the event of a material defect, delivery of another item or the delivery of a lower quantity, KTG shall be liable for supplementary performance, reduction, conversion and/or reimbursement of expenses under the statutory regulations and to the extent permitted by law.
- (3) If the delivered item is defective, KTG may initially choose whether to carry out supplementary performance by removing the defect (rectification) or by delivering a defect-free item (replacement delivery). The right to refuse supplementary performance under statutory regulations shall remain unaffected.
- (4) If the statutory requirements are met, KTG shall further be liable to pay compensation in lieu of performance. In the event of a merely negligent breach of duty by KTG or its vicarious agents, the claim for compensation in lieu of performance shall be limited to the foreseeable loss typical of the contract.
- (5) If other claims for damages (other than compensation in lieu of performance) are justified due to material defects, KTG shall be liable in accordance with the provisions of § 9 of these General Conditions.
- (6) No further or other claims by the Purchaser against the supplier or its vicarious agents due to a material defect shall be accepted.

§ 9 Other claims for damages

- (1) KTG shall be liable, in accordance with statutory regulations and to the extent prescribed by law,
- for all injuries of life, body and health and
 - according to Germany's Product Liability Act, and
 - in the case of wilful deceit, in particular fraudulent concealment of material defects, and
 - in the case of the assumption of a guarantee for the quality of the goods, and
 - in the case of intentional or grossly negligent damage, even if caused by vicarious agents.
- (2) KTG shall be liable in accordance with the statutory regulations,
- if KTG has expressly or conclusively assumed a qualified position of trust with regard to the avoidance of the loss incurred, and
 - if and to the extent that a disclaimer or limitation of liability differs from essential legal principles and is incompatible, and
 - if and to the extent that a breach of duty is so essential that it endangers the achievement of the purpose of the contractual obligation.
- In such cases, KTG's liability shall be limited to the foreseeable damage typical for the contract.
- (3) Should loss occur because of simple negligence that is not the result of default, without an instance of § 9 (1 and 2), this shall preclude claims for damages because of a breach of obligation not to take account of the Purchaser's interests, rights and legal interests.
- In this case, if negligence is less than gross, KTG shall neither be liable to pay compensation in lieu of performance nor to reimburse futile expenses.
- However, in the case of a claim for compensation in lieu of performance or reimbursement of expenses due to material defects, liability shall remain in accordance with § 8 (2 and 4) of these General Conditions.

§ 10 Statutory limitation

- (1) Defects in quality and title shall be time-barred within twelve (12) months from the transfer of risk.
- (2) The above limitation periods of the purchase right shall also apply to contractual and non-contractual claims for damages by the Purchaser, if they are based on defective goods, unless the application of the regular statutory limitation period (Sections 195, 199 BGB) would lead to a shorter limitation period in the individual case. Claims for damages by the Purchaser according to § 9 (1) of these General Conditions as well as the German Product Liability Act shall only become time-barred in accordance with the statutory limitation periods.

§ 11 Place of performance and jurisdiction

- (1) The place of performance for all deliveries and services shall be the registered office of KTG.
- (2) The place of jurisdiction for both parties shall be Bonn.

§ 12 Applicable law

German substantive law shall apply to the contractual relationships, to the exclusion of the UN Convention on Contracts for the International Sale of Goods.

§ 13 Final provisions

Should individual provisions of these "General Conditions of Sale" become legally ineffective, this shall not affect the remaining parts.