

General Terms & Conditions of Business

The following General Terms & Conditions of Business shall apply to the commercial business transactions with all of our customers. Apart from this, the German Civil Code (BGB) shall apply, unless otherwise expressly agreed with our customers.

1. Scope

- a) Our General Terms & Conditions of Business shall also apply, within the framework of an ongoing business relationship, even if we do not expressly refer to them in subsequent agreements. Terms and conditions that are contrary to or deviate from our General Terms & Conditions of Business shall only be binding for us if we agree to them expressly in each individual case.
- b) Our offers are non-binding; therefore, orders and other agreements shall only be entered into on the basis of written confirmation and/or at the start of the transfer of goods.
- c) The customer shall be responsible for ensuring that the execution documents to be provided or prepared by the customer are complete, accurate and delivered in a timely manner. If these documents are transmitted electronically, they shall only be binding once we have confirmed receipt of all documents.
- d) If we are maintaining production capacity at the request of the customer, and if there is delayed or no execution at all, for reasons that are outside our responsibility, the customer shall be liable for any subsequent damage arising.

2. Offers and prices

All prices included in offers and lists are non-binding. All details such as dimensions, weights, illustrations, descriptions, sketches and drawings in catalogues, price lists and other printed material are only approximate, but nonetheless best possible estimates, and are therefore non-binding for us. For orders with a net goods value below 100.- Euro, a 30.- Euro supplement shall be added to cover additional administrative work. Our prices are generally ex works, free on truck, exclusive of statutory VAT. In the case of free carriage to place of destination, prices are based on the applicable freight rates. Any increase in freight and customs costs, demurrage, unloading and reloading costs, for which we are not responsible, and any other costs that were not foreseeable at the time of conclusion of the contract, in addition to any increase in the freight costs due to subsequent order for disposal with regard to the method of shipment, forwarding route, place of destination or other circumstances that have an effect on the freight costs, shall be to the account of the customer.

3. Delivery and acceptance

- a) The place of performance for the delivery shall be our distribution warehouse or a company that is working on our behalf, unless otherwise agreed. Each delivery is to the account of and at the risk of the customer. We reserve the right to decide on the mode of dispatch, unless a specific mode of dispatch has been agreed. We reserve the right to execute orders as partial deliveries, unless otherwise agreed. Complaints about partial deliveries shall not release the customer from the obligation to purchase the remainder of the ordered goods in line with this Agreement. If delivery to a construction site is agreed, suitable access roads and immediate unloading by the customer are assumed; otherwise, the customer shall be liable for any damage incurred and additional costs.
- b) Agreed delivery dates refer to the provision of the goods for hand-over and/or dispatch at the factory and/or the distribution warehouse. Our obligation to deliver shall be suspended for as long as the execution documents and any other documents required or useful for the execution of the order have not been handed over and/or the information has not been provided.
- c) We shall be released from our obligation to deliver due to a lack of raw materials or energy, strikes, lock-outs, traffic disruption and official orders and also delivery date overruns by suppliers, operational disruption, all type of force majeure and any other circumstances for which we, or any company working on our behalf, are not responsible, for the duration of their existence, if they affect our ability to deliver. With regard to the afore-mentioned examples, without prejudice to other claims for damages, we shall furthermore be entitled to withdraw from the Agreement without liability for damages, if performance has become impossible and/or unreasonable for us or an end to this hindrance to performance is not foreseeable. We shall also be entitled to withdraw from the Agreement in the event that there is an extraordinary (10% and more) increase in the costs of raw materials, freight and energy that have an effect on the sales price. Our obligation to deliver shall be suspended for as long as the purchaser is behind schedule with a payment due to us. If we become aware of facts or circumstances that give rise to legitimate doubt about the payment capability of the purchaser (e.g. non-payment of overdue invoices for which reminders have been sent) and the

purchaser is not prepared to provide sufficient security despite being asked to do so, we shall be entitled at any time to withdraw from the Agreement, fully or partially, without liability for damages. The customer shall examine or check without delay that the goods have been delivered in perfect condition and are complete and shall immediately lodge a complaint in the event of visible defects. In the event that the goods supplied have not been accepted by the agreed delivery date or within the delivery period, they shall be deemed approved and/or accepted on expiry of the fifth working day after the delivery date and/or on expiry of the delivery period.

- d) Contractual penalties shall only be effective against us if they have been set out in a special agreement and for each individual case.
- e) Packaging put into circulation by us may be taken back in our facilities within the framework of our statutory obligations, provided the packaging is completely empty and is unsoiled and is delivered pre-sorted by the customer and/or at the customer's expense or it can be disposed of locally by our disposal partner (currently VfW AG).

4. Packaging costs

Shipment shall be on euro exchange pallets or euro mesh pallets. They shall generally be charged for. In the event of freight-free return of the pallets in a perfect condition, a credit note will be issued in the amount calculated. Please see the current price list for the relevant price.

5. Material defects

- a) Any parts delivered or services rendered that show material defects within the limitation period shall be reworked, delivered or rendered again free of charge, at our discretion, provided the root cause already existed prior to the transfer of the risk and provided our instructions for the installation, treatment and use of our products were followed.
- b) The customer shall notify us in writing without delay of any material defects.
- c) In the case of a notification of defects, customer payments may be retained to an extent that is in reasonable relation to the defects that have occurred. The customer may only withhold payments if a notification of defects is made where there can be no doubt about its justification. If the notification of defects was unjustified, we shall be entitled to claim reimbursement from the customer for any expenses incurred by us.
- d) To begin with, we shall be granted the opportunity of subsequent performance within a reasonable period of time.
- e) If subsequent performance is not successful, the customer may withdraw from the Agreement or reduce the remuneration, without prejudice to any claims for damages under section 10.
- f) Claims for material defects shall be excluded in the case of negligible deviation from the agreed composition, and negligible wear and tear or damage, that are incurred after the risk has transferred as a result of incorrect or negligent treatment, excessive use, unsuitable equipment, faulty construction works or that are incurred as the result of special external influences that are not presupposed by the Agreement. If the customer or a third party carries out improper changes or repair works, any claims for material defects for these or other consequences arising from them are also excluded. Our products are manufactured using natural aggregates and therefore may display certain variations in terms of their composition, for example, efflorescence, discolouration, burrs, pores, cavities or surface cracks. Deviations, changes or tolerances within the framework of DIN standards constitute only a negligible deviation from the agreed composition. Therefore, samples or specimens are deemed to be non-binding viewing objects. Minor deviations from this shall not result in an entitlement to make a complaint.
- g) Recognisable defects, incorrect deliveries, incorrect or excess quantities are to be notified without delay. All notices and assertions of alleged claims shall be made prior to processing, combining or blending and within the warranty period. Concealed defects shall also be notified to us and asserted in writing immediately on their discovery but at the latest prior to the expiry of the warranty period. We shall be given the opportunity to examine the defect ourselves and/or to have the defect examined by commissioned experts; we shall be entitled to these rights unless the customer can prove to us that immediate action had to be taken due to imminent danger. The assumption of costs for commissioned consultants requires written consent in each individual case.
- h) Statutory recourse claims of the customer against us exist only to the extent that the customer has not come to any agreement with his own customers beyond the statutory claims for material defects.
- i) Section 10 shall apply in all other respects to claims for damages. Any additional claims of the orderer or claims other than those governed by section 10 against us and our vicarious agents due to material defects are excluded.

6. Impossibility of performance; contract adjustment

a) If the delivery is impossible, the customer shall be entitled to claim damages unless we are not responsible for the impossibility of performance. However, the claim for damages of the customer is restricted to 10% of the value of the part of the delivery that cannot be used for the intended purpose due to the impossibility of performance. This restriction does not apply in cases of intent or gross negligence or due to loss of life, or injury to body or health, if liability is mandatory; this does not involve a change to the burden of proof to the disadvantage of the customer. The right of the customer to withdraw from the Agreement remains unaffected.

b) In the event that unforeseeable events within the meaning of section 3(c) change the economic significance or the content of the delivery considerably or have a significant effect on our operations, the Agreement shall be adjusted having regard to the principle of good faith. If this is not economically reasonable, we shall have the right to withdraw from the Agreement. If we wish to exercise this right of withdrawal, we shall notify the customer of this as soon as we know the full extent of the event, even if an extension of the delivery period has been agreed with the customer.

7. Pricing and payment terms & conditions

a) Prices are ex works or ex distribution warehouse, and exclusive of freight, packaging and VAT, unless otherwise agreed. Our invoices are due immediately at the registered office of our company and other discounts require a special agreement

b) We reserve the right to accept bills of exchange. We may refuse to accept cheques if there is legitimate doubt about whether the cheque is covered. Acceptance is deemed to have taken place once the cheques are honoured. Discount charges, collection costs and all other costs shall be to the account of the customer and shall be paid immediately in cash. There shall be no obligation on our part in relation to timely presentation, protest etc. Our claims shall become immediately due in all cases where the customer falls behind in fulfilling another obligation towards us. This shall also apply if the customer ceases payment, is in debt, if insolvency proceedings have been instituted with regard to his assets or if such proceedings have been refused due to a lack of assets, or circumstances have become known to us that justify a legitimate doubt with regard to the creditworthiness of the customer. In the case of a delay in payment, we shall be entitled to charge the standard bank interest, however, at least interest in the amount of 8 percentage points above the relevant base interest rate set by the European Central Bank, without prejudice to further claims. In the case of a delay in payment by the customer, we shall be entitled, at our own discretion, to make further deliveries and/or services dependent on pre-payment or on the provision of security, to demand damages due to a delay in performance or to withdraw from the Agreement. This shall not apply if the customer has justifiably lodged a complaint about the delivery. Furthermore, we shall be entitled to return accepted bills of exchange before their maturity and demand immediate payment.

c) In the case of claims based on several deliveries and/or services, the offsetting of monies received in relation to one or other of the debts shall be at our discretion. The customer shall not be entitled to take a break in payment or to refuse payment due to some claims, even if they have been lodged on the basis of a notice of defects. The customer may only offset counter claims if they are undisputed, recognised or have obtained legal force.

8. Return

Goods delivered by us shall only be accepted on our written agreement and only if returned in perfect condition and carriage paid. In principle, only goods from our current supply programme may be taken back if they are not older than six months and have a goods value greater than €200. Goods that are taken back shall be credited, less re-storage costs of 15% (however, at least 50 Euro). Bespoke products will not be taken back. In the event that the returned goods arrive at our premises in a non-merchantable condition, we reserve the right to charge for the necessary reprocessing or disposal costs.

9. Security rights

a) We shall retain the title to all the goods delivered by us until such time as all claims arising from our business relationship with the customer, regardless of their legal basis or time of origin, have been settled, or until such time as the current account balance has been settled and in the case of the acceptance of cheques or bills of exchange, until they have been redeemed. The customer may process and/or resell the materials delivered by us as part of normal business operations. The authorisation to resell the products shall cease if the customer has agreed an assignment prohibition with his customers. The customer shall be obliged to handle the retention of title with care. In the event of a breach, we shall be entitled to demand immediate surrender.

b) For the duration of the retention of title, the use and processing of the goods that are subject to retention of title are carried out for us. We shall

be entitled to title or co-ownership, sections 947 and 950 German Civil Code (BGB) to the new items that are created as a result. In the case of combining or blending the goods that are subject to retention of title with other items, we shall be entitled to co-ownership in the new items in the ratio of the value of the items subject to retention of title to the value of the other items at the time of combining and/or blending, section 948 German Civil Code (BGB). The new item created as a result of processing, combining or blending shall constitute goods subject to retention of title within the meaning of this provision. Therefore, the customer hereby assigns to us all claims, including all ancillary rights, that he is entitled to vis à vis his customers arising from the resale of the goods that are subject to retention of title, and in the case of processing, combining or blending in the amount of the value of the goods supplied by us.

c) At our request, the customer shall notify his customers of any assignment as soon as he is in default and shall provide us with any necessary information and documentation. If the value of the goods that are subject to retention of title or the securities given to us exceed our demands in total by more than 20%, we shall be obliged to release or re-assign the claims at the request of the purchaser.

d) If the supplied goods or the items produced with these goods have been installed in the site of a third party such that they will be an integral part of that site, then the claims of our customer vis à vis his customers representing these goods shall transfer to us in the amount of the purchase value of our installed goods as security for our claims, without the need for a special assignment declaration. It is hereby agreed that the claim shall transfer at the point in time of its emergence.

e) The customer may not pledge or assign as security the goods that are subject to retention of title and shall notify us of any pledges that have occurred on the instigation of third parties..

f) The withdrawal and/or assertion of the retention of title does not require our declaration of withdrawal; these actions or a pledge on our part of the goods that are subject to title do not constitute a withdrawal from the Agreement, unless this has been expressly declared.

10. Other claims for damages

a) Claims for damages and claims for the reimbursement of expenses of the customer (hereinafter referred to as: claims for damages), regardless of the legal grounds, in particular due to a breach of obligations arising from the contractual obligation and tortious acts, are excluded.

b) This shall not apply if there is mandatory liability, e.g. in accordance with the German Product Liability Act (ProdHaftG), in the case of intent, gross negligence, loss of life, or injury to body and health, due to a breach of essential contractual obligations. However, the claim for damages for a breach of essential contractual obligations is limited to foreseeable damage that is characteristic of the Agreement, provided there is no liability for intent or gross negligence or loss of life, or injury to body or health. The above provisions do not involve a change to the burden of proof to the disadvantage of the customer.

c) If the customer is entitled to claims for damages, they shall become statute-barred on expiry of the limitation period relevant to claims for material defects.

d) In the case of financial losses that arise as the result of an agreed delivery date that was not adhered to, HAURATON shall be liable to a maximum amount equivalent to three times the freight costs.

11. Consultation

a) Technical consultation is not covered by this delivery agreement; it is only binding if agreed in writing. This does not release the customer from the obligation to ensure that the products are processed in an appropriate and professional manner.

b) Any design proposal or other proposals, or drafts, drawings and tools shall remain our property and, as is the case with other documents that we have made available, may not be disclosed to third parties, even as extracts, or reproduced without our permission.

12. Concluding provisions

a) If the requirements for an agreement on jurisdiction in accordance with section 38 of the German Code of Civil Procedure (ZPO) are met, Rastatt shall be the place of jurisdiction for all claims of the contracting parties, also actions relating to cheques and bills of exchange.

b) The contractual relationship shall be subject to German law to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).

c) Should individual provisions of these General Terms & Conditions of Business be or become invalid, in whole or in part, this shall not affect the validity of the remaining provisions.

Stand: October 2017