

Common General Sales Terms and Conditions of

Perlon Nextfusion Monofil GmbH

Perlon Monofil GmbH

Hahl Filaments GmbH

Pedex GmbH

hereinafter respectively named as "Perlon".

1. Preliminary Remarks

- 1.1 Goods and services of Perlon are exclusively based on the following Sales Terms and Conditions.
- 1.2 Any terms and conditions of the Buyer conflicting with or deviating from these sales terms and conditions are hereby rejected, unless Perlon has expressly agreed to their validity in writing. These Sales Terms and Conditions also apply if Perlon performs delivery to the Buyer without reservation with knowledge of terms and conditions of the Buyer conflicting with or deviating from these sales terms and conditions.
- 1.3 Deviations from these Sales Terms and Conditions require the explicit written approval of Perlon.
- 1.4 For the use of the monofilaments of Perlon in medical devices or in direct contact with food, the statutory regulations must be observed. This also applies in general to use of all products of Perlon.

2. Contractual Formation

- 2.1 Perlon is entitled to accept the order by sending an order confirmation or by delivering the goods within 14 days. However, any confirmation of receipt sent by Perlon is not a binding acceptance of the order.
- 2.2 If the order confirmation by Perlon contains clerical or typographical errors or if pricing should be based on technical transmission errors, Perlon is entitled to annul the order. Payments already made will be refunded to the Buyer immediately.
- 2.3 Offers, including those that are made on behalf of Perlon, are non-binding. A legally binding contract is only formed if this has been confirmed or carried out in writing by Perlon.

3. Prices – Calculation – Methods of Payment – Setoff

- 3.1 Unless otherwise agreed, the prices of Perlon are in euros; free of carriage charges to the designated destination under INCOTERMS 2010, including packaging, plus the legally applicable VAT.
- 3.2 For calculation purposes, the departure weight and price valid on the date of billing will prevail.
- 3.3 Payments are, unless otherwise agreed, to be made by bank transfer into the account designated in the invoice. Perlon has the right to assign its claims against the Buyer to a third party.
- 3.4 The Buyer is entitled to offset and retention rights only insofar as its counterclaims are legally established, uncontested, or recognized by Perlon.
- 3.5 In case of default and justified doubts about the solvency or creditworthiness of the Buyer, Perlon is – without prejudice to the other rights of Perlon – entitled to demand advance payment for not yet delivered goods.
- 3.6 If bankruptcy proceedings are initiated for the Buyer's assets, Perlon is authorized in addition to the rights from the above paragraph 3.5, to foreclose all claims arising from the business relationship immediately.
- 3.7 The production and delivery obligation of Perlon is suspended as long as the Buyer is in default with a payment.

4. Delivery Time

- 4.1 The agreed delivery dates and deadlines are not binding, unless expressly agreed otherwise in writing.
- 4.2 Compliance with the delivery obligation of Perlon assumes the timely and proper fulfillment of the obligations of the Buyer. The objection of the unfulfilled contract remains reserved.
- 4.3 If the Buyer is in default of acceptance, Perlon is entitled to claims liquidated damages in the amount of 1% of the net invoice amount per completed period of 7 calendar days of delay, but no more than 5% of the net invoice amount. The liquidated damages will be credited against any other default of acceptance-related compensation claims in full. The right to further legal claims will be reserved.
- 4.4 If the conditions of the above paragraph 3.5 are satisfied, the risk of accidental loss or accidental deterioration of the goods will transfer to the Buyer at the time when the latter is in default of acceptance or payment.
- 4.5 Malfunctions, delays in delivery, or failure of upstream suppliers, energy or raw material deficiencies, traffic disruptions, insofar as such events were unforeseeable, and strikes, lockouts, official orders and force majeure relieve the party affected thereby from the obligation to deliver or accept for the duration of the disruption and to the extent of its effect. If the delivery or acceptance is delayed by more than one month, then each party is entitled to rescind the contract with respect to the quantity affected by the disruption to delivery or acceptance.

5. Warranty for Defects – Liability

- 5.1 The goods must comply with the respective state of the art, unless other written agreements have been made.
- 5.2 The Buyer must check immediately after receipt of the goods if the delivered goods have the contractually agreed quality and are suitable for the intended purpose. Obvious defects are to be reported to Perlon immediately, latent defects immediately after their discovery. Rejected goods may only be returned with the express consent of Perlon.
- 5.3 If there is a defect in the goods, the Buyer is entitled to demand, at its option, either a remedy in the form of a rectification of the defect or delivery of conforming goods. If subsequent performance within the meaning of § 440 sentence 2 of the BGB fails, the Buyer is entitled at its option to withdraw from the contract or reduce the purchase price. This is true even if Perlon seriously and finally refuses subsequent performance. If there is only an insignificant defect, the Buyer has only a right of reduction.
- 5.4 All claims of the Buyer for damages against Perlon, regardless of the legal reason, are excluded, unless Perlon or its agents have acted with intent or gross negligence or violated essential contractual obligations due to slight negligence. Essential contractual duties are duties safeguarding essential contractual legal positions of the contracting party, which the contract has to confer on it according to its content and purpose. Essential are also such contractual obligations whose fulfillment makes the due performance of the contract possible in the first place and in the compliance of which the contractual partner has trusted and was reasonably permitted to trust.
- 5.5 In the case of gross negligence or slightly negligent breach of an essential contractual obligation, damages are limited to the typical and predictable damages.

5.6 The liability for culpable injury to life, limb or health remains unaffected; this also applies to mandatory liability under the Product Liability Act or assumption of a guarantee.

5.7 For any claims for damages or compensation for wasted efforts in contractual and non-contractual liability, which are asserted against the Seller – except in cases of intent or personal injury – a limitation period of one year will apply. The period begins at the time designated in § 199 of the BGB (German Civil Code). It will occur at the latest at the end of the maximum periods specified in § 199 paragraph 3 and paragraph 4 of the BGB.

6. Trademarks

Trademarks may be used only with special written permission of the trademark owner in connection with the products manufactured by the Buyer.

7. Retention of Title

- 7.1 Perlon retains title to the goods delivered to secure all claims accruing to Perlon from the business relationship against the Buyer. If the Buyer engages in nonconforming behavior, including but not limited to default of payment, Perlon is entitled to repossess the goods. The withdrawal of goods by Perlon means a withdrawal from the contract. Perlon is authorized after the return of the goods to liquidate them. The proceeds of the liquidation will be offset against the Buyer's liabilities – less reasonable costs.
- 7.2 The ownership of Perlon extends to the new products created by processing the goods. Processing is carried out for Perlon as a manufacturer. For items not part of processing, combination, or mixing with Perlon, Perlon will acquire co-ownership in proportion to the invoice value of the reserved goods of Perlon to the invoice values of the other materials.
- 7.3 The Buyer hereby assigns to Perlon any claims arising from the sale of reserved goods, including bills of exchange and checks to secure the respective claims under paragraph 7.1. Perlon hereby accepts the assignment. Upon sale of goods in which Perlon has co-ownership, the assignment will be limited to the share of the claim corresponding to the co-ownership by Perlon.
- 7.4 As long as the Buyer is willing and able to meet its obligations towards Perlon properly, it may dispose of the goods owned or co-owned by Perlon in the ordinary course of business and collect the claims itself assigned to Perlon. Perlon undertakes not to collect the claim as long as the Buyer meets its payment obligations from the collected proceeds, does not default on payment, and in particular no application to open bankruptcy proceedings has been made and no payments have been suspended. If this is the case, Perlon may require that the Buyer notify Perlon of the assigned claims and their debtors, provide all information necessary for collection, hand over the relevant documents, and inform the debtors of the assignment.
- 7.5 The Buyer may perform transfers of security, pledging and assignment of receivables, including through the sale of receivables, only with the prior written consent of Perlon.
- 7.6 If the value of securities exceeds the secured claims by more than 10%, Perlon will release securities at its discretion at the Buyer's request.

8. Implementation Documents

Perlon will not use, reproduce or make available to third parties implementation documents that are provided by the Buyer to Perlon for manufacturing the delivery item for out-of-contract purposes.

9. Packaging – Yarn Carrier

- 9.1 Loaned packaging including yarn carriers are to be returned to the supplier factory by the Buyer within one year from date of invoice, freight prepaid (unless otherwise agreed in writing) in a proper condition. Should this not occur, or if the condition of the loaned goods excludes reuse, Perlon may charge the Buyer for the replacement cost.
- 9.2 Other packaging and packaging aids may be reused only after covering over the company logo and name, the trademark of Perlon or other designations in commercial transactions.

10. Final Provisions

- 10.1 German law applies under exclusion of the laws on international purchasing and the INCOTERMS 2010, unless otherwise agreed in writing. As far as they preclude the foregoing and following regulations, INCOTERMS 2010 will have priority.
- 10.2 The exclusive place of jurisdiction for all disputes in connection with the business relationship is the respective registered office of Perlon. Perlon is also entitled to sue the Buyer at its general jurisdiction. The Buyer must pay all fees, costs and expenses incurred in connection with any successful litigation against him outside Germany.
- 10.3 The contract language is German.
- 10.4 Should one or more of these Terms and Conditions be or become wholly or partially invalid, incomplete or in need of completion, this will not affect the validity of the remaining clauses. The parties undertake in this case to agree to a provision which comes closest to what was economically intended. The same procedure will be applied to deal with gaps in provisions.

Date: March, 2017