

GENERAL SUPPLIER TERMS & CONDITIONS OF CONTRACT H&R GROUP

Release 01. April 2014

1. Validity and scope of Client's Terms and Conditions / Corporate Policy / Supplier Code of Conduct

- (1) These Terms and Conditions of Contract apply exclusively to all present and future contracts with contractors, public-law corporate bodies and funds relating to supplies and other services, including service contracts.
- (2) Any conflicting or additional conditions of the Contractor are hereby excluded. They shall not be recognised even if not expressly excluded upon receipt, the consignment has been accepted and/or the goods have been paid for. They shall only apply if the Client has given its express written approval of all or part of such conditions.
- (3) The Contractor fully respects the currently valid version of the H&R "Corporate Policy" and "Supplier Code of Conduct" on acceptance and execution of the contract. The Contractor must fulfil the requirements listed therein and implement them in the course of the order execution.
- (4) Please observe the H&R "Corporate Policy", in its current version,
available at: <http://hur.com/en/about-hr/our-values.html>
- (5) Please observe the H&R "Supplier Code of Conduct", in its current version,
available at: <http://einkauf.hur.com>

2. Subcontractors and workers from non-EU countries

- (1) The use of subcontractors is subject to prior written approval by the Client. The Contractor must inform any subcontractors of the obligations connected to its duties and must ensure that the subcontractor complies with any obligations towards the Client by which the Contractor is bound.
- (2) If the Contractor or subcontractors use workers who are not from EU member states, the Contractor must provide the Client with the required work permits before commencing work.
- (3) If the Contractor uses subcontractors without obtaining prior written approval as described in clause 2.(1) herein, or breaches its obligation to produce work permits pursuant to clause 2.(2), the Client may terminate or withdraw from the contract, without prejudice to any claim for compensation on account of non-performance.
- (4) The Contractor may not prevent the subcontractors from entering into contracts for other goods or services with the Client. In particular, no exclusivity agreements with third parties shall be permitted if they prevent the Client or subcontractor from obtaining goods or services required by the Client itself or by the subcontractor to execute such contracts.

3. Execution, protection of the environment, health and safety and quality

- (1) The supplies must meet the agreed specifications and comply with generally-accepted technological standards, applicable laws and regulations in force, and the operating rules and regulations of the Client. In particular, the Client must comply with accident prevention laws, industrial regulations on occupational safety (in particular BGVA1) and generally-recognised rules on health and safety in the workplace.
- (2) Machines and tools must be supplied with an instruction manual in accordance with the Machinery Directive.
- (3) Please observe the “Additional Terms and Conditions concerning Machine Safety H&R Group“, in its current version,
available at: <http://einkauf.hur.com>
- (4) If applicable, the Contractor shall maintain a quality assurance system such as ISO 9001, ISO 14001, OHSAS 18001 / SCC, ideally ISO 50001 in the currently valid version. The Client is entitled to check the system, by prior arrangement.
- (5) If the Contractor is to deliver chemical substances or preparations, the following must be observed: “Supplementary General Terms and Conditions for orders concerning deliveries of substances and preparations (compounds) H&R Group” in its current version,
available at: <http://einkauf.hur.com>
- (6) The use of carcinogenic substances is prohibited.
- (7) The Contractor must always aim to ensure that the finished goods correspond to the latest technology and must inform the Client of any potential for upgrading or introducing other technical variants.
- (8) An energy management system cares for the group according to ISO 50001st contractor, which ones energy consumption relevant products deliver, are bound to the technical specifications. They are asked hereby particularly to offer energy-saving explanations of their products and to show the advantages.
available at: <http://einkauf.hur.com>

4. Insurance

- (1) For the entire duration of the contract, including the warranty period, the Contractor must take out general liability insurance under the conditions generally used in the industry (flat rate minimum cover EUR 5 million per claim for personal injury/damage to property). The Contractor must exhibit the insurance policy at the Client’s request. Any lower cover limits must be agreed with the Client in individual cases. The amount of the Client’s claims for compensation shall be independent from the insurance costs.
- (2) All services provided directly to the Client (such as deliveries under purchase agreements, maintenance agreements or custom-made products but not including the supply of materials for service contracts performed by the Contractor at the Client’s premises) must be insured by the Contractor.

5. Contractor's bid

- (1) The Contractor must adhere strictly to the specifications and wording of the request. In the event of deviations, express reference must be made.
- (2) The Client shall retain ownership of all drawings, diagrams, calculations and other documentation relating to its request. Such documents must not be disclosed to third parties. Disclosure to third parties requires express written approval by the Client. The documents may only be used in connection with production of the Client's order. After the order has been completed they must be returned to the Client immediately, unsolicited.
- (3) The submission of bids shall be free of charge and non-binding for the Client.
- (4) As required by section 48 of the Income Tax Act, when submitting the bid the Contractor must produce a legible copy of a valid exemption certificate pursuant to section 48 b of the Income Tax Act or the original of the order-related certificate. Failing this, the bid may not be considered for any further tender procedures. If a valid exemption certificate is revoked, the Contractor must inform the Client immediately.

6. Retention of title, provisions and tools

- (1) The Client shall retain title to any parts it has supplied to the Contractor. Any processing or alteration by the Contractor shall be carried out on the Client's behalf. If the items provided by the Client are inseparably mixed with other objects not belonging to the Client, the Client shall acquire part-ownership of the new objects in proportion to the value of the goods (purchase price plus VAT) compared to the other processed or mixed objects at the time the processing or mixing took place. If the processing or mixing takes place in such a way that the Contractor's property is seen as the main item, it is agreed that the Contractor shall transfer proportional joint ownership to the Client; the Contractor shall safeguard the sole or joint ownership on the Client's behalf.
- (2) The Client shall retain title to any tools it has provided; the Contractor must only use the tools for the purposes of producing the goods ordered by the Client. The Contractor must, at its own expense, insure the tools belonging to the Client at their replacement value against the risk of loss by fire, water or theft. Concurrently the Contractor hereby assigns to the Client all rights to damages under said insurance and the client hereby accepts said assignment. The Contractor must promptly carry out any inspection that may be required to the Client's tools and must bear the cost of any maintenance or repairs. Any faults must be reported to the Client immediately; should the Contractor fail to do so, claims for compensation shall not be affected. If the Client's security interest under the terms of the foregoing provisions exceeds the purchase price of all the retained goods not yet paid for by more than 20%, the Client must, at the Contractor's request, release the security interests at its discretion.
- (3) With regard to the Contractor's rights of retention of title, these conditions shall apply with the stipulation that the title to the goods is transferred to the Client upon payment, and accordingly the extended form of current account retention shall not apply. The Contractor may only demand return of the goods on the basis of retention of title if he has withdrawn from the contract.

7. Delivery and service deadlines

- (1) The delivery and execution dates stated in the order are binding. Supplies made prior to the agreed delivery date may be rejected by the Client. The Contractor must inform the Client in writing immediately in the event that circumstances arise or he becomes aware of any reason why the agreed date cannot be met. This shall not affect the obligation to meet with the agreed deadline.
- (2) In the event of late delivery by the Contractor, the Client is entitled to demand flat-rate damages at the rate of 1% of the consignment value per week, up to a maximum of 10%, without prejudice to the right to enforce a claim for actual damages caused. The Contractor may prove to the Client that no loss, or a significantly lower loss, arose as a result of the delay. This shall not affect the Client's legal claims in the event of default by the Contractor.
- (3) In cases of force majeure, the Client may request that the supply is executed at a later date, and must immediately inform the Contractor.
- (4) The provisions of the law shall apply in addition to the foregoing.
- (5) The Contractor may only cite the absence of any documents to be provided by the Client if the latter has failed to provide such documents within an appropriate period, despite having received a written reminder.

8. Dispatch, place of performance

- (1) Dispatch shall take place at the Contractor's risk and expense. The Contractor must use the most convenient form of transport for the Client, unless the latter has issued specific transport instructions. The goods must be packaged so as to prevent any damage during transport.
- (2) The transport documents must state, together with the delivery address, the order details (order number, date, destination and if necessary the name of the recipient and material number). The receiving department of the Client should normally be notified of the delivery on the date of dispatch.
- (3) For dangerous substances, the Client must receive all product information, and safety data sheets in particular, prior to receiving the delivery. The above also applies to information concerning legal marketing restrictions.
- (4) The costs of any mis-routing of supplies shall be borne by the Contractor provided that it is responsible for the transport or mis-routing.
- (5) If the Client's order details or other information are missing from the delivery notes, all the costs of truck demurrage, changeover costs and similar shall be borne by the Contractor. The Contractor may only cite the absence of any documents to be provided by the Client if the latter has failed to provide such documents within an appropriate period, despite having received a written reminder.
- (6) The Contractor can normally only make partial deliveries of goods or services with the prior written approval of the Client.
- (7) The Client may return to the Contractor any packages in good condition in return for the corresponding value stated on the invoice. Other dispatch instructions must be specifically stated on the delivery note. The packing costs shall be borne by the Contractor unless agreed otherwise in writing. If, on an exceptional basis, the Client pays the costs of packing, they must be charged as cheaply as possible. The take-back obligation shall be subject to the packaging regulations dated 21.08.1998, as amended.

- (8) The Client may accept over- or under-deliveries at its own discretion.

9. Declaration of original status

- (1) The following provisions shall apply in the event that the Contractor is required to provide declarations about the purchased goods:
- (2) The Contractor must enable verification of the goods' origin by the competent Customs offices and must also provide any information or further confirmation that may be required.
- (3) The Contractor must reimburse any damages arising from the fact that the competent authorities are unable to verify the declaration due to inaccurate certificates, unless such consequences are beyond its control.

10. Entry and conduct on the Client's premises / sites

- (1) The instructions of the Client's personnel must be followed whenever entering or using the Client's premises or sites. All entry or use of the premises/sites must be reported promptly. The rules of the Highway Code must be observed. The Client and its employees shall only be liable, irrespective of the legal grounds, for gross negligence or fraud; and in the event of death, injury or damage to health also for mere carelessness.
- (2) Site regulations shall apply to any services are rendered on the premises/site. Before starting work, or upon request, the Contractor's supervisory personnel will be given a copy of the site regulations including an equipment inventory. The Contractor must provide a written declaration confirming approval of the site regulations and equipment inventory.
- (3) Please observe the for working on the company grounds of H&R Group the Supplementary Terms & Conditions of Contract "Safety regulations for contractors and subcontracted companies (construction site rules)", in its current version,

available at: <http://einkauf.hur.com>

11. Transfer of risk

- (1) Risk shall only be transferred to the Client after the delivery or services have been accepted by the latter.
- (2) Upon receipt, the Client will check the goods with regard to quality and completeness, to the extent that this is technically feasible. Defects notified to the Contractor within twelve working days, by letter, fax, email or telephone, must be addressed promptly. The period for reporting defects shall begin when the Client – or its authorised recipient in the case of third-party transactions – notices the defect or should have noticed it, i.e. in the case of an obvious defect upon acceptance of the delivery, or from discovery of the defect in the case of a hidden defect.

12. Prices and invoicing

- (1) The prices stated in the order are fixed and inclusive of all allowances and surcharges (plus statutory VAT) free to destination, inclusive of packaging, corrosion protection and dispatch costs. In the case of cash on delivery, the Client shall only pay the cheapest freight costs unless a particular type of dispatch has been prescribed. The pricing terms shall not affect the agreement on the place of performance.

- (2) Unless agreed otherwise in writing, or in the event of more favourable terms offered by the Contractor, the Client shall pay the agreed price with a discount of 3%.
- (3) Payment and discount periods shall commence from the date the invoice is received, but not before the goods or services are accepted and, if the scope of supply includes documentation, test certificates (such as factory certification) or similar documents, not before such documentation has been handed to the Client in accordance with the contract.
- (4) The Client shall make the payment within 14 days, with the above mentioned discount, but is also entitled to pay, without discount, on the 15th day of the month following delivery, after the delivery has been satisfactorily completed and the invoice received.
- (5) The Client shall have the rights of set-off and retention to the extent permitted by law.
- (6) The invoice is to be sent, in duplicate and with a separate invoice for each order, upon completion of the service or delivery to the billing address stated on the order, or to the Client's administration office. Order numbers and all supporting documentation (parts lists, employment certificates and measurements etc.) must be attached.
- (7) Invoices for part services or deliveries must be marked "*Teillieferungsrechnung*" or "*Teilleistungsrechnung*", while final bills must be marked "*Restlieferungsrechnung*" or "*Restleistungsrechnung*".
- (8) All invoices must show VAT at the statutory rate. Original invoices must not be included with the delivered goods.

13. Warranty / liability

- (1) The laws in force at the time the goods or services are delivered shall apply.

14. Payment

- (1) The Client shall make the payment at the agreed time, after receipt of the goods.
- (2) Payments made do not signify acceptance of the bill.
- (3) Payments shall be made by cheque or bank transfer. Payment shall be considered punctual if the cheque is posted or the bank transfer is made on the due date. Due date interest cannot be claimed. The default interest rate shall be 5 percentage points over the basic interest rate. The Client is in any event entitled to demonstrate a lower rate of interest than the one claimed by the buyer.

15. No assignment

- (1) Any assignment or other disposal of the Contractor's rights and obligations outside of the scope of application of section 354 of the German Commercial Code are hereby excluded. Any exceptions must first be authorised in writing by the Client.

16. Termination

- (1) The Client may cancel the commissioned services at any time up to completion of the works or supplies, pursuant to section 649 of the German Civil Code. Notwithstanding the consequences of termination governed by the law, the following shall apply: If termination takes place for good cause attributable to the Contractor, the Contractor shall only be entitled to receive payment for the services completed and utilised by the Client up until the time of termination, without prejudice to the Client's claims for further compensation. In particular, the Contractor must reimburse any extra costs incurred.
- (2) If termination takes place for good cause not attributable to the Contractor, the Contractor shall only receive the agreed payment for the services completed and accepted by the Client up until the time of termination. Any further claims of the Contractor are hereby excluded. The provisions of section 649 of the German Civil Code shall also apply.
- (3) The Client may cancel the supplies for good cause (section 433 of the German Civil Code) at any time prior to handover of the delivery. In such a case the foregoing provisions shall apply accordingly, with regard to the Contractor's claims for compensation. The Client shall acquire title to the parts of the goods or services that have been paid for.
- (4) Good cause within the meaning of paragraph (3) shall exist, in particular, if the Client's interest in having the contractual services completed ceases to exist as a result of a decision by the public administration, if insolvency proceedings are commenced against the Contractor, if the grounds for such insolvency proceedings exist, or if the Contractor fails to meet its obligation for subsequent performance resulting from defective services within an appropriate deadline, determined in writing.

17. Waste disposal

- (1) Please observe the "Additional Terms and Conditions concerning Disposal Services of H&R Group", in its current version,
available at: <http://einkauf.hur.com>

18. Weights and quantities

- (1) In the event of discrepancies in weight, the weight determined by the Client at the time of receipt shall apply, unless the Contractor can prove that the weight calculated according to a generally-accepted method was correctly determined. The same shall apply to quantities.

19. Industrial property rights (patents, licences, models etc.); Copyrights

- (1) The Contractor shall be liable for ensuring that the supply and use of the delivered goods or works does not infringe any patents or industrial property rights of third parties. The Contractor shall indemnify the Client against any claims by third parties on account of any infringement of said rights. The Client may, without the Contractor's approval, enter into agreements or, in particular, reach a settlement with any third party. Repairs must be undertaken by the Client or its authorised representatives even in the event of industrial property rights belonging to the Contractor.

20. Non-disclosure

- (1) The Contractor must treat all information received in connection with execution of the order as strictly confidential. This shall not apply to any information already known to the Contractor when it was received, or information received in other ways (such as from third parties without any non-disclosure restriction, or from its own independent efforts).
- (2) All the documents released by the Client shall remain the property of the latter. They must not be released to any third parties and must be returned, unsolicited, to the Client once the order has been completed. Third parties shall not include specialised consultants or subcontractors employed by the Contractor, provided that they have entered into a similar non-disclosure agreement with the Contractor. The Contractor shall be liable for all damages caused to the Client as a result of breach of this obligation.
- (3) All the rights of use connected to all the drawings, diagrams, calculations, methodologies, formulations and other works developed or prepared by the Contractor in connection with the order shall belong to the Client.

21. Intercompany elimination

- (1) The Contractor hereby agrees that any claims which the Client (or its affiliated companies within the meaning of sections 15 *et seq* of the German Companies Act and German or foreign subsidiaries connected to the affiliates with a share of at least 50%) may have against the Contractor shall be considered the claims of all the affiliated companies, considered as joint and several creditors. Such claims may also be offset against the obligations of each affiliated company.
- (2) All the Contractor's substantive and procedural rights concerning a claim against any one of the joint and several creditors shall also exist towards the others.
- (3) The Client and its affiliates may offset any claims that the Contractor may have against the former, against claims of the Client or its affiliates against the Contractor.
- (4) The above provisions shall also apply if a cash payment is agreed on the one hand, and the exchange of bills is agreed on the other, or if the reciprocal claims are due on different dates, in which case a value date will be calculated. In the event of ongoing payment transactions, this right shall relate to the account balance.
- (5) In the event of several claims, the Contractor hereby waives the right to contradict the Client's determination of the claims to be offset.
- (6) Upon request, the Client will provide a schedule of the companies included in the intercompany elimination.

22. Data protection

- (1) The Contractor hereby consents to the Client storing, processing and transferring its personal data to affiliated companies, provided that this is necessary for the purpose of executing and completing the order.

23. Publicity

- (1) Any reporting or disclosure of business relations with the Client for advertising or publicity purposes is only permitted with the express prior written consent of the Client.

24. Transfer abroad

- (1) The Contractor is aware that the transfer of goods and documents of any kind often requires approval, e.g. under the Foreign Trade Act. The Contractor is responsible, in the event that any of its own documents or goods, or those belonging to the Client, are taken abroad, for checking whether any approvals are necessary, promptly obtaining any permits required, and ensuring compliance with all applicable laws.
- (2) The Client reserves the right to enforce claims for any damages arising from breach of this provision.

25. Place of jurisdiction

- (1) If the Contractor is considered a merchant within the meaning of the German Commercial Code, a public-law corporate body or public-law fund, the head office of the Client shall be the sole place of jurisdiction for any disputes arising directly or indirectly in connection with the contract. Further, the Client is entitled to apply to the court with jurisdiction over the place in which the Contractor has its head office.

26. Language of contract; Applicable law

- (1) The contractual language shall be German and the contract shall be subject to German law.
- (2) If the Contractor is based abroad, German law shall apply. Application of the principle of conflict of laws is hereby excluded while the UN Convention on the International Sale of Goods (11.04.1980) is included.
- (3) The standard clauses are to be drafted in accordance with the current version of the Incoterms - ICC, Paris.

27. Severability clause

- (1) If any provision of these Terms and Conditions is or becomes invalid or unenforceable, this shall not affect the remaining provisions.

28. Scope

(1) The General Supplier Terms and Conditions of Contract apply to:

- Hansen & Rosenthal KG, Hamburg
- Klaus Dahleke KG, Hamburg
- TUDAPETROL Mineralölerzeugnisse Nils Hansen KG, Hamburg
- H&R Wax Company Vertrieb GmbH, Hamburg
- H&R Refining GmbH, Hamburg
- H&R ChemPharm GmbH, Salzbergen
- H&R Chemisch-Pharmazeutische Spezialitäten GmbH, Salzbergen
- H&R Lube Blending GmbH, Salzbergen
- H&R Lube Tech GmbH, Salzbergen
- H&R Lube Trading GmbH, Salzbergen
- H&R Grundstücksverwaltungs GmbH, Salzbergen
- H&R Ölwerke Schindler GmbH, Hamburg