

## General Terms and Conditions for the supply with copper cathodes (as of: 06/2016)

### 1. Scope of application

- 1.1 These General Terms and Conditions for the supply with copper cathodes ("Terms") apply for all – also future – purchases and other legal transactions between the KME Mansfeld GmbH ("Buyer") and its suppliers ("Supplier"). Agreements which deviate from these Terms are hereby contradicted. These are only binding if they are confirmed in writing by the Buyer. The Supplier renounces own sales conditions.
- 1.2 In case regulations in the order by the Buyer to the Supplier deviate from these Terms, the order shall be authoritative. In case of purchases on the basis of trade terms, particularly the Incoterms®, the trade terms only apply to the extent that in these Terms or in separate agreements no deviating regulations are agreed.
- 1.3 The Supplier is a manufacturer or dealer of high-quality copper cathodes. The Buyer requires high-quality constituent materials in strict compliance with the agreed quality requirements. Products produced by the Buyer are usually sold - for further processing - to customers with high qualitative demands in most various fields of application (e.g. electrical industry, sanitary installations etc.). Thus, the Buyer is dependent on cooperating with reliable Supplier which are able to provide the agreed quality of the products at cost-conscious prices on a continuous basis and to guarantee a continuous security of supply. Furthermore, the Buyer has committed itself to the sustainable promotion of human rights and environmental protection.

### 2. Product and quality

- 2.1 The Supplier guarantees to deliver the quality of the product to the Buyer. The product shall meet the following requirements: (i) the surface shall be free of uneven sections, protruding edges and any foreign material, such as electrolyte residues (e.g. sulphur, chlorine), dirt, oil and grease; (ii) degree of radioactivity shall not exceed one (1) micro Sievert per hour; (iii) Cathode, flat raw product (produced from electrodeposition), solid plates largely free from cavities, electrolyte inclusions or residues thereof, basically free from sulphur, chlorine and other impurities; foreign materials, such as iron particles or the like in the cathode stacks are impermissible; (iv) suitable for processing in compliance with the respectively valid EU regulations. Product may contain the following values of the following chemical elements:

	Group 1	Group 2	Group 3	Group 4
<i>(minimum content in percent)</i>				
Copper (Cu)	99.99	99.99	99.98	99.98
<i>(maximum contamination in ppm)</i>				
Silver (Ag)	15	20	20	25
Silicon (Si)	3	3	3	3
Iron (Fe)	10	10	10	15
Lead (Pb)	2	5	10	10
Cobalt (Co)	1	1	1	1
Sulphur (S)	5	15	20	25
Nickel (Ni)	10	10	10	10
Antimony (Sb)	4	4	10	10
Oxygen (O <sub>2</sub> )	50	100	150	180
Selenium (Se)	2	2	2	2
Arsenic (As)	5	5	10	10
Bismuth (Bi)	1	2	5	5
Tin (Sn)	2	10	10	10
Manganese (Mn)	5	5	5	5
Zinc (Zn)	1	10	10	10
Phosphorus (P)	3	5	5	10
Tellurium (Te)	2	2	2	2
Cadmium (Cd)	1	10	10	10
Chromium (Cr)	1	1	1	1

Unless otherwise agreed or stated herein, the specifications of the BS EN 1978:1998 Cu-CATH-1 Cathodes are applied (grade A). The product shall be in plates (i) with dimensions maximum one point one by one (1.1 X 1.0) metre, (ii) weighing fifty to one hundred-thirty (50-130) kilograms each and (iii) a maximum net weight of each stack of plates of three (3) mt.

- 2.2 The Supplier bears the risk for procurement of the raw materials of the product. In order to exclude the use of conflict minerals at best according to the definition of the respectively valid provisions, the Supplier undertakes to perform appropriate origin tests for the raw materials of the product and provide corresponding evidence (so-called *reasonable country of origin inquiries*). Alternatively, the Supplier has to inform the Buyer whether the product belongs to preferential or non-preferential goods prior to the delivery. In case of doubt, the Supplier has to provide evidence of the preferential treatment. Evidence of the preferential or non-preferential origin for the goods delivered is provided by the Supplier to the Buyer. For the purpose of providing evidence, the Supplier may provide the Buyer with a long-term supplier declaration. The provision of the required documents is immediately effected by means of supplier declaration according to regulation (EC) no. 1207/2001 (amended by the regulation (EC) no. 1617/2006) or other preferential certificates permitted. For purposes of traceability, the delivery of products with different origins is impermissible unless a partial delivery contains a product exclusively of a brand or from an electrolysis.
- 2.3 The Supplier warrants and represents that the product is free of any private-law or public-law rights of third parties, which may affect the ownership of the product. In particular, the product is not subject to ownership by way of security or reservation of ownership, encumbrances, hypothecations or other security rights of third parties in accordance with the law respectively applicable to the product. Moreover, the product is not subject to agreements or obligations of third parties, which may have a similar effect to the product.
- 2.4 The product delivered by the Supplier is in accordance with the respectively valid requirements of environmental law, which are applicable to the Buyer, the transport or the Supplier. In particular, the product shall not be contaminated radioactively. If relevant radioactivity is detected by the Buyer during the inspection of incoming products, the Buyer is entitled to decline acceptance of the delivery. The Supplier is obliged to make an immediate replacement delivery at its own expenses. The Supplier represents and agrees that the product is registered and authorised according to the provisions of the regulation (EC) no. 1907/2006 ("REACH regulation") and that it is complied with all other provisions of the REACH regulation and the directive 2000/53/EC in consideration of the decision 2002/525/EC of the European Commission of 27 June 2002 ("Car wrecks directive"). If necessary, the Supplier will support the Buyer to the best of its ability regarding the compliance and provide necessary information immediately. In case of changes of the product or the respectively valid provisions with influence on the content of the safety/material data sheet, the Supplier shall provide the Buyer immediately with a safety/material data sheet adapted accordingly. During the entire term of the contract and for each delivery, the Supplier will maintain a valid registration according to the REACH regulation for the product and display it on the delivery documents.
- 2.5 Before shipping of the delivery, the Supplier is obliged to subject the product to a quality test. Regarding type and extent, the quality test shall correspond to the best available technology and shall, at least, be suitable for assessing chemical composition and showing potentially existing pollutants, contaminants or similar impurities of the product. Immediately after the completion of

corresponding test, the Supplier shall provide reports in full to the Buyer. All foreign materials are impermissible - except for the elements in the cathode stacks.

In the event that the products are not brands registered on the LME or if the Supplier does not perform an independent quality test according to recognised and authorised standards, the quality test shall be performed by an internationally recognised and authorised organisation (for example SGS, Alfred H. Knight, Alex Stewart International or the like - "Testing laboratory") comprising the following steps: (i) supervision of receipt and unloading of the respective means of transport as well as corresponding recording; (ii) Check of cargo and report on the condition of the cargo incl. bundling material (e.g. steel strip): Visual inspection regarding surface formation, thickness of the cathode, edge formation, burnings of organic components, streaking, presence of residues (for example copper sulphate, oil, grease), foreign materials (iron plates, iron pieces) etc.; (iii) Preparation of a digital photographic report in order to represent the typical nature of the packaged product; (iv) Using a portable Polimaster gamma detector, gamma radiation shall be tested at all accessible four (4) sides of the cathode stack at a distance of max. ten (10) cm from the material; Minimum and maximum specified in micro Sievert per hour (m Sv/h). The procedure for sampling of the delivery of the product shall be as follows: (i) delivery will be divided into batches with a weight of 50 tonnes each; (ii) testing laboratory selects fifteen (15) % of the stacks from the stacks (iii) from fifteen (15) % of the stacks, the testing laboratory will select a certain number of plates, according to the scheme, flashes are punched out of the plates (without cleaning), further use as punched out - where punching is not possible, the chips must be gained by means of bores; (iv) flashes/chips obtained this way are mixed, cut per fraction where required and subsequently divided into six (6) sets of samples; (v) Microsection on flashes as a sample (one (1) microsection for one (1) plate per partial delivery) - largely free from cavities, as well as deposited residues of sulphuric acid, electrolyte residues or chlorine or parts thereof; (vi) Remelt sample: From the flash samples obtained, a provisional sample is remelted with a remelting furnace (under vacuum or argon protective atmosphere). As a next step, this remelt sample is divided into two (2) halves. In this connection, the surface of an intersection is milled for the subsequent determination of the chemical analysis. Impurities are analysed by means of optical emission spectrometers (Spectro Analytical Instruments). Regarding chips, OES/ ICP (inductively coupled plasma optical emission spectrometry) is used. Three (3) of the samples shall be shipped to the Buyer, three (3) sets of samples remain in the testing laboratory. After the completion of the quality test, the Supplier shall immediately send the report and the certificate 3.1 of the chemical analysis according to DIN EN 10204 (as amended) or - if not applicable - a comparable certificate by e-mail to the Buyer - in each case for batches of fifty (50) tonnes of the product including photo documentation.

### 3. Quantity and delivery conditions

- 3.1 The Supplier is entitled - after prior express written consent of the Buyer and prior to the beginning of the delivery month - to deliver a quantity differing by plus/minus two (2) percent.
- 3.2 The delivery is made according to the delivery condition Incoterms®.
- 3.3 In either case, the Supplier is obliged to effect an appropriate transport insurance for the delivery at its own expense. This transport insurance shall insure the delivery against the usual risks. The transport insurance shall be maintained during the term of this contract ("Insurance policy"). Immediately upon conclusion of this contract, the Supplier shall present an appropriate confirmation of insurance to the Buyer. The Supplier shall immediately credit payments of the insurer due to the insurance policy to the Buyer (or have them credited) - free of charge for the buyer and without using cash to the last known business account. If the Supplier fails to perform its obligation to effect an insurance policy, the Buyer is entitled to effect a comparable insurance policy at the expense of the Supplier. Already now, the Supplier authorises the Buyer to effectively represent the Supplier for this purpose, unless the insurance policy effected by the Buyer is associated with reasonable costs for the Supplier, which are disproportionate to the security purpose.
- 3.4 In order to ensure a safe transport, the product is packed for the purpose of transport by the Supplier at its expense secure and in accordance with the applicable standards of the LME. In particular, this includes steel strips.
- 3.5 After the Supplier has received the payment of the price, title of the product shall pass to the Buyer. According to the delivery condition Incoterms®, the risk of loss, damage or destruction of the product shall pass to the Buyer.
- 3.6 For the determination of the weight of the delivery, the weight of weighing by means of calibrated road truck or railcar scale at the time of the transfer of risk of the delivery condition Incoterms®. Thus, if DDP is agreed, the weight of weighing at the Buyer's is decisive. If another delivery condition is agreed, the Supplier shall weigh at its own expense and inform the Buyer of the result of weighing before the delivery arrives at the Buyer's. Differences regarding the quantity of the delivery outside a tolerance range of plus/minus zero point two (0.2) percent, which are determined during weighing, constitute a defect. Section 7 shall apply accordingly for the further procedure.
- 3.7 If it is foreseeable for the Supplier that a delivery of the product is not delivered within the agreed due period, the Supplier shall immediately notify the Buyer accordingly and communicate the expected duration of the delay in delivery. The Buyer is entitled to set a reasonable deadline for the delivery by the Supplier, which does not need to exceed a period of seven (7) calendar days. If delivery of the product by the Supplier is not made within this period, the Buyer is entitled - instead of the non-delivered quantities - to make covering purchases at the respective stock exchange price of the LME. The Supplier shall reimburse the Buyer for the additional expenses and costs resulting from the covering purchase.
- 3.8 The Supplier shall compensate the Buyer for each commenced calendar week of the culpably delayed partial delivery beyond the respectively agreed period with a payment of one (1) % of the value of the delivery, in each case up to a maximum of five (5) % of the value of the delivery. This compensation payment will be set off against the additional expenses to be reimbursed according to section 3.7.
- 3.9 For the purpose of traceability, the product of the delivery shall be labelled with the name of the manufacturer or producer, the date of production, the batch or lot number, the brand name and the weight (gross and net).
- 3.10 Notwithstanding other provisions, the following documents shall be handed over to the Buyer with delivery: Complete freight documents, Invoice of Supplier, Certificate of quality/analysis according to DIN EN 10204, point 3.1, Delivery list/packing list, Certificate of origin (if applicable) and Certificate of insurance (if applicable).
- ### 4. Prices and terms of payment
- 4.1 After the Supplier issued a proper invoice, the Buyer shall pay the price for the product of the delivery according to the contract. The price shall be converted completely into Euro. The conversion of USD into Euro takes place on each trading day on the basis of the EUR/USD reference price of the European Central Bank, Frankfurt a. M. ("ECB") published by the ECB. If no reference price for EUR/USD is determined or published by the ECB for one trading day of the LME, the reference price most recently determined and published by the ECB is used for the conversion. If no reference price

of the ECB is determined or published over a longer period, a consensual agreement is to be reached if it can be assumed that there has been a considerable change of the reference price within this period.

- 4.2 If the price for the product cannot yet be definitely determined at the time of invoicing by the Supplier due to the continuing trading period, the Supplier does initially issue an invoice whose amount stated corresponds to the value within the trading period until and including the day of invoicing ("provisional invoice"). If the price for the product can definitely be determined at the end of the trading period, the Supplier issues a final invoice in correspondence to the difference between the price and the amount of the provisional invoice ("final invoice"). The respective Party shall pay the difference arising from the final invoice.
- 4.3 The price for the product shall be due for payment by the Buyer ten (10) working days upon receipt of a proper invoice for the delivery ("Due date").
- 4.4 The Buyer shall only be in default with the payment if the price is not credited to the account of the Supplier within a reasonable period (set by the Supplier) of at least five (5) more calendar days after the due date. In the event of default, the rights shall be as determined by section 7. The same applies if a payment obligation of the Supplier towards the Buyer arises from the invoice.
- 4.5 Within the statutory limits, taxes, levies and customs duties shall be borne and paid by the respective Party legally obliged within the scope of the delivery condition Incoterms®.
- 4.6 The product delivered by the Supplier shall remain the property of the Supplier until full payment of the respective price of the delivery. If the product is processed or mixed or combined with other items and the ownership of the Supplier does thus expire, the ownership - thus created in favour of the Buyer - of the mixed product or the uniform item passes to the Supplier to the extent of the invoice value of the respective product and the Buyer stores the resulting goods free of charge for the Supplier. The Buyer is entitled to resell the goods to third parties. In this case, the Buyer assigns all claims against the third party from the resale up to the amount corresponding to the invoice value of the product to the Supplier. If the value of the claims assigned in this way exceeds the invoice value of the product not only temporarily but altogether more than twenty (20) percent, the Supplier undertakes to immediately release the claims up to the amount of the invoice value still open at that time to the Buyer.

#### 5. Provisions concerning export and foreign trade data

- 5.1 The Supplier shall meet all requirements of the respectively applicable national and international customs law. At least two weeks prior to the delivery as well as in case of changes, the Supplier shall provide the Buyer immediately with all information and data required by the Buyer for compliance with the provisions regarding export, import and re-export in written form. In particular, this includes (i) the ten-digit statistical commodity code according to the current commodity classification of the foreign trade statistics (CN code number [Combined Nomenclature] including HS code number [Harmonized System]) and (ii) in case of non-preferential origin: Notification of the country of origin or certificates on the non-preferential origin or (iii) in case of preferential origin: Supplier declaration.
- 5.2 If the Supplier violates the obligations mentioned in section 5.1, the Supplier shall bear all expenses and costs for damage incurred by the Buyer as a result, unless the Supplier is not responsible for the violation of obligations.

#### 6. Warranty and product examination

- 6.1 The Supplier warrants and represents that the delivered product has the agreed quality, in particular the contractually promised characteristics, and is suitable for the use assumed according to the contract. Deviations from the agreed requirements (in particular specified in the sections 2 and 3) to the disadvantage of the Buyer, constitute a defect of the product.
- 6.2 The Buyer is entitled - at its own option - to demand remedy of defects or subsequent delivery of a new product by the Supplier. Therefore, the Buyer shall set a reasonable deadline for the subsequent delivery by the Supplier, which does not need to exceed a period of seven (7) calendar days. If the subsequent delivery of a product which is free of defects by the Supplier is not made within this deadline period, the Buyer is entitled - instead of the non-delivered quantities - to perform covering purchases at the valid stock exchange price of the LME. The Supplier shall pay the costs additionally incurred in this connection. The Buyer expressly reserves the right to claim damages and to declare the reduction or withdrawal from the delivery - even in case of insignificant violation of obligations.
- 6.3 The Buyer is entitled to remedy the defect itself or have it remedied by a third party at the expense of the Supplier if there is imminent danger or a particular urgency, or if this is required in order to avert disproportionately great damage or for other reasons for which the Supplier is responsible. Loss of production, loss of profit and other consequential damages constitute damage within the meaning of the aforementioned.
- 6.4 The warranty period shall be a total of twenty-four (24) months from the passing of risk of the delivery condition Incoterms®. In the cases of section 6.2., sentence 1, this period shall commence at the time of the remedy of defects or subsequent delivery of a new product.

#### 7. Liability

- 7.1 The right to compensation for damages incurred is applicable to both Parties without restrictions, irrespective of whether a personal injury, damage to property or a financial loss is concerned.
- 7.2 Regardless of the test to be performed by the Supplier, which is performed by the testing laboratory, the Buyer will examine the product supplied within a reasonable period. In doing so, the examination may not exceed checking the conformity with the agreed quantity and the check for externally recognisable (visible) defects. Any defects discovered are reported to the Supplier within a period of twenty (20) working days following partial delivery. Non-visible defects are reported to the Supplier within a period of twenty (20) working days after their discovery. Sending the notification in time suffices to comply with the time limit. Apart from the aforementioned, the Supplier waives the right of objection for delayed notice of defects. § 377 section 5 German Commercial Code remains unaffected in any case.
- 7.3 If a claim for defects regarding weight or quality has been lodged by the Buyer within the timeframe as set out above, the Seller has the right to request inspection, sampling, weighing and/or assaying ("procedure") of the product in question in accordance with the terms and conditions stipulated by the LME applicable for copper. Such procedure will be carried out by a mutually acceptable and internationally recognized and LME approved testing laboratory. In case the Buyer and the Seller are not able to agree to a testing laboratory it is determined that SGS, Alfred H. Knight, Alex Stewart International shall execute the procedure whoever the Buyer and the Seller are not suggesting. Findings by the testing laboratory as a result of the procedure shall be binding and final for the Buyer and the Seller for the determination of a defect regarding weight and quality. Costs of the procedure and any costs related with the delay, including handling etc. shall be borne by the losing party.
- 7.4 Event of force majeure refers to each act, event or circumstance as well as their combination, which delay or prevent - partially or completely - the fulfilment of obligations arising out of this contract and are beyond the control of the affected Party ("affected Party"). In particular, the events of force majeure include strike, lockout, war, armed conflicts, civil wars, terrorist attacks, radioactive rays released in an uncontrolled manner and natural disasters.

The affected Party (i) shall give immediate notice to the other Party that an event of force majeure has occurred and which obligations of the contract cannot be fulfilled or cannot be completely fulfilled ("obligations concerned") due to this event of force majeure and information on the expected extent and the probable duration of the event of force majeure; (ii) shall be exempted from the fulfilment of the obligations concerned for the period of the event of force majeure or, if the Supplier is the affected Party, the Supplier shall deliver at least the available quantity of the product to the Buyer; (iii) shall be exempted from rendering the counter-performance for the obligation concerned which is not performed by the affected Party; and (iv) shall use its best efforts in order to minimise the impact of the force majeure event on the obligations concerned as far as possible or completely eliminate the impact.

If the duration of the force majeure event exceeds a period of more than sixty (60) calendar days, the other Party has the right to terminate the contract at any time with a notice period of fourteen (14) calendar days. All claims of the affected Party, which arise from this termination, are excluded.

If the Supplier is in default with a partial delivery of the product, explaining this by an event of force majeure is excluded.

- 7.5 The Supplier is obliged to indemnify the Buyer - on first demand - from all third-party damage claims due to suffered personal injuries, damages to property or a financial losses if the asserted claims result from a product culpably defectively delivered by the Supplier. This also includes additional expenses arising out of or in connection with a recall initiated by the Buyer.
- 7.6 The Supplier shall effect a product liability insurance with an insured sum of at least EUR twenty (20) million per case of damage and maintain this product liability insurance during the entire term of this contract. If the Buyer is entitled to further claims for damages, they remain unaffected. The Buyer shall prove the existence of the insurance contract upon request.

#### 8. Assignment and Set-off

- 8.1 With the prior written consent of the other Party, each Party is allowed to partially or completely assign rights or obligations arising out of this contract to third parties.
- 8.2 Set-off against claims of one Party is only possible for the other Party with outstanding debts arising out of this contract.

#### 9. Term and termination

The right to extraordinary termination for good cause remains unaffected. Good cause shall be in particular if a Party repeatedly violates obligations arising out of this contract or has significantly infringed essential duties necessary for the performance of this contract. The contract shall be terminated in writing by registered letter or courier service with acknowledgement of receipt.

#### 10. Confidentiality

- 10.1 Confidential information refer to the content of the contract and all information, which are declared to be confidential by both Parties in connection with this contract and by the Disclosing Party, or information where it can reasonably be assumed that they are confidential.
- 10.2 The Parties (respectively "Receiving Party") shall, in each case (i) always treat confidential information disclosed by one Party to the other Party as confidential; (ii) not disclose the confidential information to any other person, except the persons mentioned in the following provisions, unless the Receiving Party has received the prior written consent of the Party disclosing the confidential information (respectively "Disclosing Party"); (iii) Not use the confidential information, unless with the exception of fulfilling their obligations under this agreement ("Permissible Purpose").
- 10.3 Each Party may disclose confidential information to its professional advisers and own employees if this is required for the Permissible Purpose.
- 10.4 The Receiving Party ensures that every person to whom confidential information are disclosed is made aware of the confidentiality and complies with all confidentiality obligations of the Receiving Party under this contract.
- 10.5 The Receiving Party may disclose Confidential Information where disclosure is required by (or deemed by the Receiving Party to be appropriate given the requirements of) law, a court of competent jurisdiction, a regulatory body or the rules of a stock exchange with authority over its business or securities, provided that in each case the Receiving Party shall give the Disclosing Party as much notice of the disclosure as is permitted and practicable.
- 10.6 The obligations of the sections 10.1 to 10.5 and 10.7 do not apply to confidential information which (i) have already been publicly available at the time of the conclusion of this agreement or at any time after the date of this agreement, and this is not done by a breach of this contract by the Receiving Party or by a disclosure by another receiving party to which the Disclosing Party has disclosed confidential information; (ii) were already known to the Receiving Party before disclosing them to the Receiving Party; (iii) were developed by the Receiving Party independently and without reference to the confidential information disclosed by the Disclosing Party; or (iv) were legally taken into the possession of the Receiving Party, subsequently, by a third party, which has not violated an agreement regarding the protection of confidential information.
- 10.7 In case of termination of this contract, the Receiving Party will return the confidential information to the Disclosing Party within five (5) working days after receipt of the written request of the Disclosing Party; or destroy them and confirm their destruction to the Disclosing Party in writing.

#### 11. Compliance

The Parties agree that each Party will comply with the applicable laws, anti-bribery provisions, competition rules and the like and that each Party is responsible for compliance with these provisions. Violations of these provisions are, at the same time, considered to be a breach of this contract. The obligations of each Party continue to exist unlimitedly after the termination of this contract.

#### 12. Final provisions

- 12.1 This contract describes the agreement of the Parties regarding the subject matter of the contract in full. Additional agreements are not made. Unless otherwise specified in the contract, the application of general contract terms of the Parties is excluded.
- 12.2 Any changes and amendments to this contract - including this provision - shall be made in writing.
- 12.3 If one of the provisions mentioned is or becomes completely or partially invalid or unenforceable, this does not affect the validity of the remaining provisions. The same applies if and to the extent to which a regulatory gap might arise in this contract. The invalid or unenforceable provision shall be replaced by the legal provision applicable. This shall also be done for the purpose of filling the regulatory gap.
- 12.4 The legal relations in connection with this contract are subject to the law of the Federal Republic of Germany - excluding all regulations of the conflict of laws (including the Contracts of the UN for the International Sale of Goods ("CISG")).
- 12.5 For all disputes in connection with this contract, including its validity, the courts of Halle (Saale), Germany, shall have exclusive jurisdiction.