

TERMS AND CONDITIONS OF PURCHASE

of Metallux AG (Version 03/2015)

1. Validity

- 1.1. Our terms and conditions shall apply to a natural person / legal person / legally capable partnership acting in the exercise of their commercial or independent professional activity (entrepreneur) at the time of conclusion of the contract, as well as to a corporate body under public law or a special estate under public law.
- 1.2. Unless otherwise agreed in individual cases, the following terms and conditions shall exclusively apply to all our orders, including future orders of the same type. Differing and supplementary conditions of the supplier shall not be binding for us, even if we do not expressly object to them. Differing and supplementary agreements only apply to the respective individual contract and require the written form.

2. Conclusion of contract

- 2.1. Offers made by the supplier are non-binding and free of charge for us.
- 2.2. Our verbal or telephonic orders, additions and amendments to an order require our written confirmation.
- 2.3. We shall be bound by our written order for one week from the date of order. Our right to cancel the order until receipt of written confirmations of acceptance by the supplier with the same contents as our order remains unaffected.
- 2.4. Amendments and additions to a contract require our written confirmation.
- 2.5. The written form shall also be deemed to have been maintained by e-mail and fax.

3. Delivered goods / Quality requirements

- 3.1. Our written order, as well as the specifications and production documents (drawings, samples, etc.) provided by us, or the specifications and production documents provided by the supplier and confirmed by us in writing, shall be binding for the content, type and scope of the delivery. The supplier's obligation to check all order and

other contract documents for completeness, correctness and suitability for the intended use and to inform us immediately in writing of any discrepancies/errors, as well as the supplier's own responsibility for execution shall remain unaffected. The supplier may only make changes with regard to the execution or quality in relation to the agreements made or in relation to previous deliveries if samples have been provided beforehand and our approval has been given in writing. In cases of doubt, the supplier must enquire about the intended use or the type of further processing.

- 3.2. All delivered goods must be delivered with materials and tools of the best suitability and in perfect condition, and must comply with our declared technical specifications as well as with the applicable standards (in particular, European and German standards, statutory provisions, trade association guidelines, accident prevention regulations, occupational health and safety regulations, generally recognised safety and occupational medicine regulations) and such like. Even without express agreement, these shall constitute the quality standard of the delivered goods.
- 3.3. Acceptance of packaged goods does not constitute acceptance as performance. In any case, we reserve the right to inspect the goods after delivery.
- 3.4. Within reasonable limits, the supplier shall make any changes to the design and execution of the delivery item requested by us. Any consequences associated therewith, in particular additional or reduced costs as well as postponement of delivery dates, shall be mutually agreed by the parties.
- 3.5. The supplier is obliged to continuously check and improve the quality of the delivered goods. Initial samples shall be submitted prior to series deliveries.
- 3.6. The obligation to verify quality shall apply equally to the means of production referred to in Section 8 as long as they are in the possession of the supplier.
- 3.7. The supplier is obliged to name its suppliers to us on request. We are entitled to reject a supplier for important reasons. Any resulting postponement of delivery dates or changes in costs shall be agreed by us with the supplier.
- 3.8. The supplier shall bear the procurement risk for its services, unless it is a one-off production.
- 3.9. If the supplier is only an intermediary for goods, the supplier is obliged to inspect the goods for defects before transferring them to us.

- 3.10. If changes are made to the production process, in the choice of suppliers or in the relocation of production sites, the supplier shall be obliged to obtain the consent of Metallux.
- 3.11. If software is required for the manufacture and/or operation of the products, Metallux shall be granted the right to use the software.

4. Delivery time

- 4.1. Delivery times are binding. Deadlines begin with our written order. Compliance with the delivery time shall be determined by the receipt of the delivered goods at our premises or at the agreed place of receipt. The supplier shall deliver the goods on the agreed delivery date, agree delivery periods within the delivery period, in the case of call-off orders within one week of receipt of the call-off, in accordance with the contract. Compliance with the delivery time specified for the above provision is so essential for us in the contract that the continuation of our interest in receiving the delivery is tied to compliance with the delivery time.
- 4.2. Partial deliveries by the supplier are only permissible with our consent.
- 4.3. If the supplier delays in delivery, we shall have the statutory claims and rights. Delay in delivery also entitles us to demand a contractual penalty of one percent of the net price of the entire order for each completed week of exceeding the delivery time, but no more than 5 percent of the net price of the entire order. This shall apply accordingly if there is a delay with regard to partial deliveries. Claims for damages remain unaffected. A contractual penalty paid shall be offset against a claim for damages. If we accept the delayed performance, we must assert the contractual penalty at the latest at the time of the final payment.
- 4.4. Delays in delivery for which the supplier is not responsible shall entitle us to withdraw from the contract after the fruitless expiry of a reasonable grace period set by us; this shall also apply to delays in agreed partial deliveries.
- 4.5. If the supplier realises that the goods to be delivered cannot be delivered on time in whole or in part, the supplier must inform us immediately, stating the reasons and the probable duration of the delay.
- 4.6. In the event of force majeure and other unforeseeable circumstances for which we, our legal representatives, executive employees, vicarious agents/assistants are not responsible, in particular operational disruptions, strikes,

lockouts, official interventions, etc., which prevent us from accepting the delivery item, our acceptance obligation shall be suspended. We will notify the supplier of these circumstances immediately. In this case we shall be entitled to withdraw from the contract or to demand performance at a later date. The supplier shall not be entitled to any claims arising therefrom.

5. Shipping/acceptance

- 5.1. Shipment shall be at the expense and risk of the supplier. This also applies to any possible returns. The supplier shall be liable for compliance with specified shipping instructions. Before dispatch, the supplier must inform us in good time that the goods are ready for dispatch.
- 5.2. The supplier shall use packaging that is as environmentally friendly as possible. At our request, the supplier shall take back packaging free of charge from our works or from the place of destination specified by us.
- 5.3. The risk shall pass to us when the delivered goods are handed over to us at our premises or at the agreed place of receipt. In the case of machines or technical equipment as well as in the case of an agreed functional testing / acceptance, the risk shall not pass to us until we have confirmed in writing that the functional testing / acceptance has been carried out without defects.
- 5.4. With each delivery, the supplier shall enclose a delivery note stating our order number, identification number, quantity, place of delivery and designation of goods, insofar as these are specified in our order. Otherwise, we shall be entitled to refuse acceptance without this giving rise to any claims on the part of the supplier. Any resulting costs shall be borne by the supplier.

6. Price / Invoicing / Payment

- 6.1. The price stated in the order is binding and is a fixed price excluding statutory value-added tax, including all ancillary services and costs (e.g. assembly, installation, packaging, transport, transport insurance), unless expressly agreed otherwise in writing.
- 6.2. Invoices shall be submitted to us in one copy upon receipt of the delivered goods, stating the packaging number, number of packages, quantity and gross or net weight of the delivery. Our order number and the identification number shall be indicated for each item of the invoice, if such number is included in our order. If the

invoice relates to goods from different purchase orders, it must be specified for each item which purchase order was executed with the delivery.

- 6.3. Unless otherwise agreed in writing, we shall pay at our discretion within 14 days after receipt of a regular invoice with 2% discount, or within 30 days net. The date of receipt of the goods shall be the reference date for the term of payment.
- 6.4. We are entitled to pay by cheque and bank transfer.
- 6.5. In any case, we shall be in default only after receiving a written reminder.
- 6.6. We shall be entitled to set-off and retention rights as well as the defence of non-performance of the contract to the extent provided by law; in particular, we may withhold due payments as long as we are entitled to claims from incomplete or defective deliveries against the supplier.
- 6.7. If significant changes in the market situation occur for us, or if a significant drop in the market prices of our products is discernible, the supplier will negotiate an adjustment of the prices with us. If the negotiations fail, we may terminate existing contracts (in particular framework agreements) with a period of notice which shall take due account of the interests of both parties. In this case, the supplier may only charge us for the costs actually incurred by the supplier for otherwise unusable material. We shall also be entitled to a corresponding right of termination if the supplier's prices are above the market level, or at least three percent above the prices of a comparable competitor, and the supplier is unable to offer us more competitive prices within one month of being requested to do so by us in writing.

7. Defects of delivered goods

- 7.1. The statutory provisions shall apply to our rights in the event of material and legal defects in the delivered goods (including incorrect and short delivery as well as improper and defective assembly, operating instructions) and in the event of other breaches of duty by the supplier, unless otherwise specified below.
- 7.2. The supplier shall deliver the goods in a fully inspected condition. We will randomly inspect the delivered goods in accordance with DIN 4080 or comparable organisational plans. If the agreed AQL value (Acceptable Quality Limit) or, in the absence of an agreement, the AQL based on the relevant standards, is exceeded during random sampling, the entire consignment shall be deemed defective.

- 7.3. The period of limitation for our claims due to a material defect shall be two years, and for claims due to a legal defect four years from delivery or acceptance. Longer limitation periods due to other claims which are not based on a defect in the delivered goods themselves shall remain unaffected. The statutory limitation period for urgent claims for surrender according to § 438 Para. 1 No. 1 BGB (German Civil Code) shall also remain unaffected.
- 7.4. If the supplier refuses to remedy the defect without justification, or if the supplier is in default with the remedy of the defect and there is a threat of substantial damage to us or our customers due to the defect, we shall be entitled to remedy the defect ourselves or through third parties at the expense of the supplier. Furthermore, defects of the delivered goods shall justify the statutory claims.
- 7.5. Defective parts of the delivered goods remain at our disposal until replacement; they become the property of the supplier as a result of their replacement.
- 7.6. The parties shall immediately inform each other of any legal defects and alleged claims of third parties that become known, and shall give each other the opportunity to counteract such claims by mutual agreement.
- 7.7. The costs of subsequent performance (§ 439 para. 2 BGB) also include dismantling and reinstallation costs, costs of the search for defects and sorting costs for us and our customers.
- 7.8. The supplier guarantees that its goods or their contractual use do not infringe any rights of third parties in the states of the European Union and the European Economic Area as well as in the countries in which the goods are used as intended.

8. Security rights / production resources / property rights

- 8.1. The supplier undertakes to release security rights granted to the supplier by us to the extent that their value exceeds the claim to be secured by more than 10%. A prolonged or extended retention of title shall not be agreed.
- 8.2. Dies, measuring and testing equipment (e.g. gauges), tools, devices, models, samples, matrices, templates or the like as well as drawings and other working documents and materials ("production equipment") provided by us shall remain our property.

- 8.3. Manufacturing equipment provided by us or manufactured according to our specifications may not be sold, transferred by way of security, pledged, passed on or used for third parties or made accessible to them without our consent. If we pay for the production equipment manufactured according to our specifications, it becomes our property. A necessary transfer of ownership is replaced by the supplier storing such production equipment for us free of charge with the diligence of a prudent businessman. Production equipment owned by us shall be insured by the supplier against all common risks at the supplier's own expense. Production equipment owned by us shall be stored by the supplier as our property and separately from the same or similar items owned by third parties or the supplier. Reproduction is only permitted insofar as this is necessary for processing the order. The supplier is obliged to use production equipment owned by us exclusively for the manufacture of our order, and to return it to us immediately upon request if we withdraw from the contract or if the business relationship is terminated for other reasons. The supplier shall also impose these obligations on its vicarious agents.
- 8.4. The supplier must inform us immediately of any imminent seizure or any other impairment of our rights. The supplier shall be obliged to separate out the means of production owned by us.
- 8.5. The supplier shall transfer to us the ownership of an item which arises through the processing of production equipment owned by us. In the event of processing, combining or mixing production equipment provided by us or owned by us with other items owned by third parties, the supplier shall transfer to us co-ownership of the new item in the ratio of the value of our production equipment to the value of the items owned by third parties. The above obligations under Sections 3 and 4 as well as 8.3 and 8.4 shall apply accordingly.
- 8.6. If, in connection with the execution of the order, improvements are made to the production equipment and products supplied by us or manufactured according to our specifications, we shall have a free, non-exclusive usage right for our own use of this improvement and any industrial property rights thereto.

9. Confidentiality

- 9.1. The supplier is obliged to treat all non-public commercial and technical details which become known to the supplier through the business relationship with us

as business secrets, as long as they do not become generally known. The supplier's vicarious agents (including employees) shall be obligated accordingly in writing; the obligations shall be presented to us upon request.

- 9.2. The supplier shall only be entitled to refer to an existing business relationship with us for advertising purposes with our prior written consent.
- 9.3. The publication of products manufactured on our behalf and in accordance with our specifications for the purposes of the contractor's own advertising requires our prior written consent. Models, samples or other information which we have provided to the supplier or such which are manufactured by the supplier according to our specifications may only be reproduced by the supplier to the extent necessary for the processing of the offer / execution of the delivery. If in this case the supplier provides such information to a subcontractor, the supplier must impose a corresponding written obligation on the subcontractor prior to such provision, and present it to us upon request.
- 9.4. Items manufactured according to our specifications may not be offered/delivered to third parties; there is an obligation to obtain permission in this respect, which continues even after termination of the business relationship. If improvements are made by the supplier on the basis of our production documents, we shall have a non-exclusive usage right free of charge for our own use even after such improvement, and any industrial property rights thereto.

10. Retention / set-off / assignment

- 10.1. The assertion of a right of retention by the supplier presupposes that the counterclaim is undisputed or legally established, and is based on the same contractual relationship as our claim.
- 10.2. The offsetting by the supplier presupposes that the supplier's counterclaim is undisputed or legally established.

11. Product liability

- 11.1. Insofar as the supplier is responsible for a product defect, the supplier shall be obliged to indemnify us upon first request against claims for damages by third parties to the extent that the cause lies within the supplier's sphere of control and organisation, and the supplier itself is liable in relation to third parties.

- 11.2. In this context, the supplier shall also be obliged to reimburse us for any expenses pursuant to §§ 683, 670 BGB (German Civil Code) which result from or in connection with a recall action carried out by us or our customer, insofar as we or our customer were obliged to carry out the recall action or this was appropriate. As far as possible and reasonable, we shall inform the supplier of the content and scope of the recall measures to be carried out, and give the supplier the opportunity to comment.
- 11.3. If claims are asserted against us by third parties at home or abroad due to a product defect for which the supplier is responsible, irrespective of fault on our part, the supplier shall be liable for us accordingly. The same rules with regard to the burden of proof shall apply to the relationship between us and the supplier as to the relationship between us and the third party.
- 11.4. The supplier undertakes to maintain a product liability insurance – insurance with a cover sum of 5 million Euro per personal injury / material damage – all-inclusive – as well as a recall cost insurance. The supplier assigns to us any claims to which the supplier is entitled against the insurer or other third parties arising from a case of damage. We accept this assignment. The insurance policies shall be presented to us on request. If we are entitled to further claims for damages, these shall remain unaffected.

12. General provisions / Final provisions

- 12.1. The place of performance shall be the registered domicile of our company.
- 12.2. In commercial business transactions, the place of jurisdiction shall be the registered domicile of our company.
We shall also be entitled to sue at the supplier's registered domicile.
- 12.3. The application of German law (including the UN Convention on Contracts for the International Sale of Goods, CISG) is agreed.
- 12.4. Should one or more of these provisions be or become invalid, this shall not affect the validity of the remaining provisions. In the event of the invalidity of one or more provisions, the parties undertake to agree upon provisions that are economically and legally equivalent to the invalid provisions as far as possible.