

GENERAL TERMS AND CONDITIONS OF PURCHASE

As of: March 2015

Section 1 Scope

(1) These terms and conditions apply exclusively to all our orders and requests for quotation. They also apply – in the respective then current version – to all future business relations with the Supplier, even if they are not explicitly agreed upon for each transaction. Any other terms and conditions will not become part of the contract, even if we do not reject them explicitly while being aware of them.

(2) If reference to Incoterms is made in contractual agreements, the Incoterms 2010 shall apply.

Section 2 Offers made by the Supplier

Offers made by the Supplier shall be at no cost to ourselves and shall be binding on the Supplier. The Supplier's offers shall be based on the exact quantities and condition of goods as specified in our requests for quotation and shall expressly point out any deviations therefrom.

Section 3 Orders

(1) No orders or agreements are binding unless we issue or confirm them in writing, via facsimile or e-mail. Should any orders or agreements be made orally or by telephone, we must confirm them in writing for them to become binding, as must any oral ancillary agreements or amendments to the contract. The same principle shall also apply to any deliveries or services that are additionally agreed. Our silence to suggestions, requests, etc. made by the Supplier shall by no means be interpreted as our consent to the Supplier's suggestion.

(2) Any of our orders that the Supplier wishes to accept need to be confirmed in writing by the Supplier. If we do not receive the confirmation of order within two weeks after receipt of the order by the Supplier, we are no longer bound by the order. In case of informal initiation of business, our written order shall qualify as a commercial letter of confirmation.

(3) We do not recognise any order confirmations that vary from our order, even if we do not reject them in writing.

(4) We may demand that changes be made to the goods to be supplied and/or the delivery dates also after the conclusion of the contract to the extent reasonable for the Supplier. If contracts shall be amended accordingly, the effects on both sides must be taken reasonably into account, particularly in terms of additional or reduced costs and with regard to the delivery dates.

(5) If the Supplier realises or should realise as an expert in his field that an order is incomplete, or that the purpose of the order cannot be achieved by this delivery, he must inform us accordingly without undue delay and in detail.

(6) The Supplier must treat our orders as confidential. The Supplier must not name us as a reference towards third parties or otherwise use the business relationship with us for marketing purposes without our prior written approval.

Section 4 Delivery periods

(1) The delivery periods and dates specified in our order are bindingly agreed unless the Supplier has explicitly rejected these in writing or we have agreed other dates with the Supplier in writing. If we did not specify any delivery dates in our order, the delivery dates specified by the Supplier are bindingly agreed. Whether delivery dates or deadlines are met depends on when goods reach our designated place of use and/or on the time of acceptance (*Abnahme*) where acceptance is required.

(2) The Supplier shall not to make partial deliveries or provide partial performance without our prior written approval. The decision whether we accept additional deliveries is in our free discretion.

(3) Should the Supplier realise that he cannot meet the agreed delivery dates, he must notify us accordingly without undue delay in writing, stating the reasons and how long the delay is likely to last. The obligation of the Supplier to timely delivery or performance shall not be affected thereby. If the Supplier does not comply with this obligation to inform us for reasons he is responsible for, and we incur any damage thereby, we are entitled to claim compensation of these damages from him. To this extent the Supplier shall not be entitled to claim that the delay of delivery or performance is not his fault.

(4) If we accept supplies or services which are late, this shall not be construed as a waiver of any claims or rights.

(5) Should the Supplier be unable to meet agreed deadlines for reasons he is responsible for, we may, after expiration of a reasonable period of grace set by us, claim damages instead of delivery or procure substitute goods from third parties at the Supplier's expense and/or rescind the contract. Should the Supplier be repeatedly in default with its deliveries, we may – after a prior warning letter in writing – also withdraw from any or all orders not performed at that time with immediate effect.

(6) If the Supplier is unable to comply with the agreed deadline or delivery date due to force majeure (e.g. natural disasters, civil unrest, war, fire, flooding) or due to a disruption of his own production operations that was unforeseeable and unavoidable the delivery period shall be extended by the duration of the disruption. The Supplier may invoke force majeure only on the condition that he informs us immediately about the obstacle and its prospective duration. If the disruption is more than temporary in duration and acceptance of Supplier's late performance is unreasonable for us due to the delay, we have the right to withdraw from the contract in respect of the part which has not yet been fulfilled. In case of a partial performance, we have the right to withdraw from the contract in its entirety if we have no interest in the partial performance.

(7) Unless the preceding regulations of this Section 4 provide otherwise, the Supplier's liability for delays in delivery or performance shall be governed by statutory law without any restrictions.

Section 5 Prices, dispatch, packaging, transfer of risk and title

(1) Prices are fixed once agreed, and include the costs of packaging, freight and transport to our specified delivery address and/or point of use. Where the contractual agreement requires us to bear the cost of transport, the least expensive manner of transport must be chosen.

(2) If, between the date of confirmation of the order and the delivery date, the Supplier generally reduces prices for the goods to be delivered, the reduced prices that are applicable on the

delivery date shall apply instead of the originally agreed prices.

(3) Deliveries shall be effected free our specified delivery address and/or point of use. Dispatch is at the Supplier's risk. The risk of all kinds of deterioration, including loss by accident, remains with the Supplier until delivery to our specified delivery address and/or place of use.

(4) Title to goods supplied passes to us once they are paid for. We do not accept any extended or prolonged retention of title on the Supplier's part.

(5) The Supplier is obliged to avoid unnecessary packaging so as to minimise our disposal costs.

Section 6 Warranty and liability

(1) Warranty and liability are governed by the statutory provisions unless otherwise stipulated in these terms and conditions or in any other written agreement between ourselves and the Supplier. For the avoidance of doubt: the provisions of this Section 6 do not affect the Supplier's liability under other provisions of these terms and conditions, e.g. Section 9, sub-sections (1) and (7) or Section 10, sub-section (5) below.

(2) The Supplier shall ensure that all supplies and services he provides are state-of-the-art, comply with relevant legal requirements (in particular with regard to the requirements applicable by that time regarding technical safety, safety at work, protection of health, environment and against fire) and instructions and guidelines of the competent authorities, mutual indemnity associations and professional associations, and meet the functions and specifications required. This applies accordingly to the compliance with all the data and quality standards as stated in our orders, drawings and/or supply specifications which define the target condition of the goods or services to be provided by the Supplier. Should these specifications have to be varied in exceptional cases, the Supplier must obtain our prior consent to this in writing. This consent does not affect the Supplier's warranty obligations. Should the Supplier have any concerns as to our desired manner of performance, he must inform us in writing without undue delay. This shall also apply to any possible suggestions for improvements or changes made by the Supplier with regard to the delivery or performance desired by us. If we do not agree with the Supplier on the specifications of the goods to be provided by the Supplier, the description made by the Supplier of its products (e.g. in catalogues) shall be deemed agreed upon as minimum specifications. Irrespective thereof the Supplier shall bear the responsibility that the goods are suitable for the purpose provided by the contract.

(3) We are obliged to inspect the supplied goods and to lodge complaints about defects only after complete delivery and only with regard to any deviations in identity and quantity as well as externally visible transportation damage. We are under no obligation to carry out any technical performance tests and/or other examinations except by way of random checks. If, in the individual case, we have a duty under said regulations to complain of defects, the complaint is deemed to be on time if it is lodged with the Supplier within 14 working days after delivery of the goods, in the case of obvious defects, or within 14 days after a hidden defect has been discovered or could have been discovered by due inspection.

(4) The Supplier shall remedy any defects in supplies or services notified to him by us during the warranty period, which includes failing to meet guaranteed data and the absence of guaranteed

specifications and qualities, on our request without undue delay and free of charge. This includes all ancillary costs, repair or replacement of defective components, which is at our sole choice, without prejudice to any further or other claims in law, and, more particularly, the right to rescind the contract, demand a reduction of the price and/or claim damages. (5) Should the Supplier fail to meet his warranty obligations within a reasonable respite set by us, due to fault on his part, we may have the measures necessary to remedy the defect be carried out by ourselves or by third parties, at the Supplier's risk and expense, without prejudice to his warranty obligations. In urgent cases, we may – after consulting with the Supplier – remedy defects ourselves, or engage a third party to do so at the Supplier's expense. Where required to ensure that we can supply our own customers on time or if there is a risk of exceptionally high losses, we may remedy minor defects ourselves without consulting the Supplier beforehand and without prejudice to the Supplier's warranty obligations.

(6) The warranty period is 36 months unless explicitly agreed otherwise in writing with the Supplier, or a longer warranty period is stipulated by law for the product to be supplied by the Supplier. The warranty period begins no earlier than the date when the goods have been handed over to us or to the third party specified by us, at our designated delivery address or point of use. If acceptance procedures are required, the warranty period begins on the date of acceptance as stated in our written declaration of acceptance. The warranty periods shall be extended by the duration that the defective good cannot be used in the intended manner due to the defect. In the event of subsequent fulfilment (*Nacherfüllung*), the original warranty period shall begin anew for the replacement or newly delivered goods or parts.

(7) Acknowledgement of receipt or acceptance of supplied goods does not release the Supplier from his warranty obligations, even if we are aware of a defect.

(8) Approval of drawings submitted to us by the Supplier does not release the Supplier from his warranty obligations.

(9) The Supplier will indemnify us against any and all claims, on whatever grounds in law, which third parties may bring against us based on defects of the Supplier's goods, and will reimburse our necessary costs incurred in asserting our rights, including but not limited to reasonable costs of legal representation. The afore-said reimbursement also includes the costs of any precautionary recall campaign insofar as such campaign is necessary in our customers' interests or to protect third parties according to our due discretion. The Supplier has to reimburse us for the costs of such recall campaign even after expiry of the warranty period, if we have carried out the recall due to a respective order issued by public authorities or in order to prevent risks to the life and health of the product users or third parties (*innocent bystanders*).

(10) The Supplier may not alter the goods without our express written approval once contracts are signed or during the delivery period, even the most minor changes, and even if our specifications, dimensions, analyses, formulae, production methods etc. as prescribed and/or agreed with the Supplier in each case are still adhered to. No such variations may be made until we have given our consent in writing. Should the Supplier fail to meet these obligations through fault on his part, he will be liable for all our costs and those of third parties incurred in examinations, obtaining expert opinions, additional calculations, reprocessing, replacement supplies etc.

(11) If the Supplier intends to change its production processes with regard to future deliveries, including changes to the

composition or features of the goods, the place of manufacture, the suppliers of materials or primary products or the procedure or devices used to examine the goods, or if the Supplier intends to carry out any other changes that are relevant to the use of the goods either by us or by our customers, the Supplier shall inform us within good time – at the latest, however, 3 months in advance – in writing.

(12) The Supplier will also insure himself against all product liability risks with sufficient cover and furnish proof of that insurance to us on demand.

Section 7 Third-party rights

(1) If any royalties have to be paid for the right to use the supplied goods, also in combination or interaction with other items, these royalties shall be borne by the Supplier.

(2) The Supplier warrants that all goods supplied – also in combination or interaction with other items – are free of intellectual property rights of third parties and, in particular, that neither the supplies or services nor the use of the goods supplied or the services rendered infringe any patents or other third party intellectual property rights within the Federal Republic of Germany.

(3) If third-party intellectual property is infringed by delivery or performance by the Supplier and/or by the use of the goods, the Supplier is obliged first and foremost to ensure that the infringement is remedied, either by procuring the rights or by modifying the supplied good or by supplying a modified good, providing this is reasonable and acceptable for us.

(4) Not affecting sub-section (3) above, the Supplier will indemnify us against any claims by third parties for any breaches of intellectual property rights and will bear any and all costs we incur on this account. This afore-said obligation does not apply if we conclude agreements with the third party in respect of such claims, in particular if we conclude a settlement agreement, without the Supplier's consent.

(5) Sub-sections (1) – (4) of this Section 7 shall apply accordingly for such countries to which the goods delivered will be exported to the Supplier's knowledge.

Section 8 Invoices and payments

(1) Invoices shall be issued no earlier than the date on which the good, including all contractually relevant documents, is delivered and/or services are rendered. Invoices must be sent separately by post; they may not be enclosed with the goods.

(2) Invoices must correspond to our order in their wording and as regards the chronological order of the listing of the goods. Any additional services and supplies must be separately itemised in the invoice with a reference to our respective prior written order.

(3) Unless otherwise agreed, payments shall be made at our option within 30 days net cash without deductions or within 14 days with deduction of a 3% discount. The term of payment shall not start before the date of our receipt of the proper invoice and all requisite documents (e.g. material inspection certificate). Delays in payment due to the Supplier failing to issue invoices in accordance with this Section 8 are the responsibility of the Supplier.

(4) Even if we were aware, at the time of paying the purchase price, that the supplied goods are defective, settlement of the invoices may not be construed as a waiver of any claims arising from the goods being defective.

(5) We may set off amounts due to the Supplier against any amounts due to our affiliated companies. The Supplier may not set off his own claims unless his counterclaims are judicially determined as nonappealable, are undisputed or are acknowledged by us. He may not exercise any right of retention unless his counterclaim is due and based on the same contractual relationship.

(6) The Supplier may not, without our prior consent in writing (which we will not refuse unreasonably) assign his claims against us to any third parties or engage any third parties to collect them. If the Supplier for his own part is supplied subject to an extended reservation of title (*verlängerter Eigentumsvorbehalt*), our consent for the purposes of the preceding clause is deemed to be given. Should the Supplier in violation of sentence 1 hereof, assign his claims to a third party without our consent, that assignment will be binding nonetheless, although we may pay, in our own election, the Supplier or the third party with exonerating effect.

Section 9 Goods, tools or other production equipment supplied by us

(1) The Supplier shall examine any goods supplied by us without undue delay upon delivery by us or by our supplier and, should there be a defect, notify us without undue delay. Should the defect become apparent at a later point in time, such notification shall be made without undue delay after the defect has been discovered. If the Supplier fails to perform these obligations, he must indemnify and hold us harmless from and against any damage or losses resulting from such failure (e.g. forfeiture of warranty claims against our own supplier). Furthermore, if the Supplier breaches the aforesaid examination and notification duties, he will be liable to us for any defects of the goods he supplies to us, even where such defects are due to defects of the goods supplied by us.

(2) The Supplier shall mark all goods supplied by us as our property and store these goods separately from other products so that the goods supplied by us can be identified as such beyond any doubt for the entire duration of their storage and, where technically feasible and reasonable for the Supplier, also during their processing. The Supplier is liable to us in case that any goods we provide to him get lost or damaged. The Supplier shall insure the goods provided by us against fire, water, theft and similar causes of loss at his own expense at minimum at their market value. The Supplier shall inform us without undue delay should any of the goods supplied by us be impaired in law or fact.

(3) All processing of materials provided to the Supplier by us shall be performed for us. All such materials remain our property while being worked and processed. The parties agree that we shall acquire coownership in the goods made using materials or components provided by us in proportion of the value of the goods supplied by us to the total value of the product. The same applies should we lose title by way of mixing or mingling.

(4) All tools and other production equipment which we provide to the Supplier for the manufacture of the goods to be supplied to us remain our property. If and to the extent that the Supplier purchases and/or manufactures tools or other production equipment required specifically for the manufacture of any parts or goods to be supplied to us and we pay the price for such tools or equipment in whole or in part, the possession and ownership of such tools or equipment shall pass to us upon payment by us. It is agreed that the Supplier shall possess the tools and

production equipment on our behalf as a borrower. The Supplier shall have no right of retention in respect of such tools and production equipment. Any tools and other production equipment owned by us shall be marked appropriately and clearly as our property. The Supplier shall insure any such items at its own expense at replacement value against damage by fire, water, theft and similar types of damage. The Supplier hereby assigns to us any and all claims for compensation that may arise from such insurance; we hereby accept the assignment. The Supplier must notify us without undue delay of any legal or actual impairment of the tools or other production equipment provided by us.

(5) The Supplier may use the tools and other production equipment referred to in sub-section (4) above solely for the purpose of manufacturing the goods ordered by us. Such tools and production equipment may only be scrapped or provided to third parties after we have given our prior consent in writing thereto.

(6) The Supplier undertakes to handle and store the tools and other production equipment referred to in sub-section (4) above diligently and with due care. The tools and production equipment shall be serviced and maintained as agreed between us from time to time.

(7) If we incur losses due to the Supplier acting in breach of his duties as stipulated in sub-sections (2) – (6) above, the Supplier shall compensate us for such losses, unless the Supplier is not responsible for the breach of duty.

Section 10 Drawings/documents, intellectual property rights

1) All documents, drawings, samples, etc. that we provide to the Supplier for a quote or for production of the goods to be delivered shall remain our property; we reserve our copyright and all other intellectual property rights in such items. The Supplier is not authorised to use any information, ideas or other know-how contained therein for purposes other than the preparation of a quote for us or the performance of the contract – unless the information, ideas or other know-how were known to the Supplier already before he received them from us or the Supplier lawfully obtained them otherwise at a later point in time. Such documents, drawings, samples etc. along with all copies thereof, shall be handed over to us without delay at our request, and of the Supplier's own accord if no order ensues, respectively after completion of an order. The Supplier shall have no right of retention in respect thereof. Sentences 1 and 2 above shall apply accordingly for the drawings and other documents that are drafted by the Supplier in accordance with our special instructions.

(2) The Supplier shall treat the documents referred to in sub-section

(1) above as well as all other received information relating to the order or to the execution of the order as business secrets – also after completion of the order – and shall treat them accordingly as confidential. They may not be disclosed to any third parties without our prior written approval. We shall treat any documents and information that we receive from the Supplier in connection with the order or execution of the order as business secrets if we are explicitly notified of the need to keep them secret. The duty to observe secrecy shall not apply if the content of the documents are facts in the public domain or which later enter the public domain without this being due to a breach of duty by the Party to

maintain secrecy.

(3) The Supplier shall provide us, with his offer, with any essential drawings and documents that are required to discuss the technical details of the goods to be delivered. However, such discussion or other form of involvement in design work on our part shall not release the Supplier from his exclusive responsibility for the product or from any ensuing warranty or other obligations.

(4) The Supplier shall provide us with all drawings and documents that we or our customers require to install, operate, service, maintain or repair the supplied good, in due time – at the latest on delivery – of his own accord and free of charge.

(5) If we incur losses due to the Supplier acting in breach of his duties as stipulated in this section 10, the Supplier shall compensate us for such losses, unless the Supplier is not responsible for the breach of duty.

Section 11 Securing of supply

(1) If the goods to be delivered are goods especially developed for us, in particular if we have directly or indirectly contributed to the costs of development and/or the manufacturing materials, the Supplier warrants to supply us at all times with these goods according to our needs and to accept orders from us as long as we require these goods. We will provide the Supplier in good time with the anticipated supply volume deducted from the forecasts of the requirements of our customers. Unless explicitly agreed otherwise, the Supplier shall not have the right to a specific quantity to be bought by us.

(2) The Supplier hereby undertakes to ensure the supply of the necessary spare parts for at least 15 years after delivery of the goods – also after the end of series production of the goods. If the Supplier realises within this period that it will no longer be possible to ensure this, the Supplier must inform us about the end of the supply possibility without undue delay and, if the Supplier is unable to offer us any other reasonable possibility of supply, to provide us with the opportunity of procuring an all-time requirement 12 months before the production is stopped.

Section 12 Quality assurance and control

(1) The Supplier must implement an appropriate state-of-the-art quality assurance system, and must provide us on request with proof of such implementation. In case we should deem this to be necessary, the Supplier shall conclude with us a quality assurance agreement to this effect.

(2) If special quality checks have to be performed as regards the goods to be delivered during acceptance procedures, the personal costs of acceptance shall be borne by us and the material costs by the Supplier unless explicitly agreed otherwise.

(3) The date of completed production shall be notified to us in a binding manner no later than one week before acceptance procedures are to be conducted.

(4) If a second visit by the Quality Officer is necessary due to established defects, the personal costs for such checks shall be borne by the Supplier, too. The same principle shall apply if the supplied good is not presented to the Quality Officer on the date specified in sub-section (2) above.

Section 13 Certificate of origin, documentary evidence relating to sales tax law; export restrictions

(1) Upon delivery, at the latest, the Supplier shall provide us at his own expense with all the required certificates of origin; these certificates shall contain all necessary information and be signed. This shall apply accordingly to any documentary evidence for sales tax purposes that may be required in each particular case in connection with foreign and intra-Community supplies.

(2) The Supplier must inform us without undue delay if a delivery – or any part thereof – is subject to export restrictions under German or any other applicable law. If and to the extent that an export licence is required for a delivery, obtaining such licence shall be the Supplier's responsibility.

Section 14 General provisions

(1) If the Supplier is unable to meet his obligations on time when due or stops payments or insolvency proceedings (including preliminary insolvency proceedings) are instituted against the Supplier's assets, we shall have the right to rescind the contract with respect to such part as has not yet been performed by the

Supplier. This rescission right must be exercised by us within one month after we obtain knowledge of any of the aforesaid circumstances.

(2) These terms and conditions and all legal relations between us and the Supplier are governed by the laws of the Federal Republic of Germany, under exclusion of the Vienna Convention on Contracts for the International Sale of Goods (CISG).

(3) If the Supplier is a registered merchant or – without being registered – has full commercial capacity within the meaning of the German Commercial Code, the sole place of jurisdiction for all disputes arising directly or indirectly from this contractual relationship is Bedburg, Germany. However, we also have the right to sue the Supplier at any other place of competent jurisdiction.

(4) The place of performance for all contractual obligations is Bedburg, Germany, respectively our specified point of use.

(5) Should any provision of these terms and conditions, or any provision in other related agreements be or become invalid or unfeasible, this shall have no impact on the validity of all other provisions or agreements. The invalid or unfeasible provision shall be replaced by one that comes closest to the business intentions the Parties had when concluding the affected agreement. The same principle shall apply in the case of a contractual loophole.