

General Terms and Conditions of Purchase of Stefan PFAFF Werkzeug- und Formenbau GmbH & Co. KG

§ 1 General - Scope

(1) Our entire business transactions with suppliers or other contractors (hereinafter jointly called "Suppliers") are governed exclusively by these Terms and Conditions of Purchase. We herewith contradict the terms and conditions of sale and delivery as well as other terms and conditions of business of the Supplier. These shall not be applied. This shall also be the case to the extent that the terms and conditions of sale and delivery or other terms and conditions of business of the Supplier contain regulatory provisions that extend beyond the regulatory provisions of these Terms and Conditions of Purchase. Our Terms and Conditions of Purchase shall also apply if we unconditionally accept the delivery or service of the Supplier in the knowledge that the terms and conditions of the Supplier conflict with or deviate from our own Terms and Conditions of Purchase.

(2) All agreements reached between us and the Supplier for the purpose of executing this Agreement must be made in writing in this Agreement in order to be valid.

(3) Our Terms and Conditions of Purchase are applicable only to merchants pursuant to § 310 Para. 1 of the German Civil Code ("BGB").

(4) Our Terms and Conditions of Purchase also apply to all future transactions with the Supplier. We are entitled to amend these Terms and Conditions of Purchase with effect for the future entire business relationship with the Supplier, following corresponding notification. The notification shall be performed in writing. If the Supplier does not contradict the amendments reported in the notification within 6 weeks of his receipt of the notification, he shall be deemed to have recognised the amended Terms and Conditions of Purchase. We shall draw the attention of the Supplier to this legal consequence in our notification.

(5) If a framework agreement exists between the Supplier and us, then these Terms and Conditions of Purchase shall be applicable to this framework agreement as well as to the individual orders, unless otherwise agreed in the corresponding framework agreement.

(6) Should any of the individual provisions of these Terms and Conditions of Purchase provisions be or become invalid, this shall not affect the validity of the remaining provisions of the Agreement. The invalid provision shall then be replaced by the statutory arrangement. Under no circumstances shall the invalid provision be replaced by terms and conditions of business of the Supplier.

§ 2 Ordering - order documents

(1) An order shall be deemed to have been placed only if this has been prepared by us in writing (including by fax or e-mail). Orders placed orally or by telephone shall be binding for us only if we subsequently confirm these in writing within the meaning of Sentence 1. Enquiries on our part are non-binding and subject to confirmation when the Agreement is concluded.

(2) The Supplier is obliged to accept our order within a deadline of 2 weeks.

(3) By accepting the order the Supplier recognises that he has been instructed about the nature of the execution and scope of the performance by having inspected the available documents. In the event of obvious errors, spelling mistakes and miscalculations in the documents etc. submitted by us, these shall not be binding for us. The Supplier is obliged to draw our attention to any such errors, thus enabling our order to be correspondingly corrected. This shall apply mutatis mutandis if documents are absent.

(4) We reserve ownership and copyrights to images, drawings, calculations and other documents. They may not be made available to any third party without our express written consent. They may be used only for production purposes on the basis of our order. Following completion of the order, they must automatically be returned to us. They may not be disclosed to any third party, to this extent the provision set out in § 11 is additionally applicable.

(5) Upon accepting the order, the Supplier recognises the code of conduct for third-party companies on our company site or in our premises that he is required to enter to fulfil the order. When entering our company site or premises, the Supplier shall sign corresponding guidelines, if these exist for the corresponding company site or corresponding premises.

§ 3 Prices - invoices - terms and conditions of payment - assignment

(1) The price specified in the order is binding. All prices are net prices plus statutory value added tax. Other ancillary costs such as customs duties, insurance premiums and similar shall be borne by the Supplier.

(2) Unless otherwise agreed in writing, the price of the delivery "free house" also includes the packaging. Insofar as we are required to bear the shipping costs on an exceptional basis, on account of a deviating written agreement, the Supplier shall select the mode of shipment specified by us or, alternatively, the most favourable one for us. Insofar as we are required, on an exceptional basis, to bear the packaging costs on account of a deviating written agreement, the packaging costs shall be charged at cost price, whereby the Supplier shall select the type of packaging specified by us and ensure that the goods are protected from damage by the packaging.

(3) We shall be able to process invoices only if these – as specified in our order – cite the Pfaff order number specified therein; the Supplier shall be responsible for all consequences brought about by failure to comply with this requirement, insofar as he is not able to demonstrate that he was not responsible for this. In other respects the invoices must comply with the provisions of the Value Added Tax Act ("Umsatzsteuergesetz").

(4) We shall pay the purchase price, unless otherwise agreed in writing and insofar as no rights on our part do not conflict with this, within 14 days following proper invoicing with a 3 % discount or net within 30 days of delivery and proper invoicing. Commencement of the discount period shall be determined by the receipt of the corresponding invoice by us. Invoices that do not contain the details specified under § 3 Para. (3) and/or contain incorrect invoice sums shall be deemed to have been received by us only once we have received a corrected invoice.

(5) If the rendering of a works performance is the object of this Agreement, the acceptance shall take the place of the delivery.

(6) We shall be entitled to offset and retain remuneration to the extent permitted by law.

(7) The assignment of claims of the Supplier arising out of the contractual relationship with us shall not be permitted without our prior written consent. In the event that the Supplier has assigned a counterclaim against us to a third party, we shall be entitled to pay the Supplier with discharging effect against the third party.

§ 4 Delivery deadlines

(1) The delivery deadline specified in the order is binding.

(2) We shall not be obliged to accept the goods before the expiry of the delivery deadline.

(3) The Supplier is obliged to notify us in writing without delay if circumstances occur or become apparent to him which indicate that the agreed delivery deadline cannot be met.

(4) If the Supplier defaults on the delivery for reasons for which he is responsible, then we shall be entitled to charge the Supplier per calendar day of the delay a contractual penalty amounting to 0.1 % of the contractually agreed price, although not exceeding 5 % of the order value (excluding value added tax). We reserve the right to assert further claims for damages. Offsetting by the Supplier against a forfeited contractual penalty is permissible only with counterclaims that have been legally established or acknowledged. We are entitled to assert the contractual penalty until payment has been made to the Supplier for the delivery affected by the delay. Insofar as and to the extent that we have agreed interim deadlines with our Suppliers, we make it clear that the contractual penalty shall always be based only on the contractually agreed final delivery deadline. The delivery date may also be the date of completion if a contract for work and services exists.

(5) Further statutory entitlements, such as withdrawal or compensation in place of the performance remain reserved.

§ 5 Transfer of risk - documents

- (1) Unless otherwise agreed in writing, the delivery shall be performed “free house”.
- (2) The risk shall be transferred - including in the event of agreed delivery ex works or dispatch at our expense - when the delivery arrives at our premises or at the place of delivery specified by us.
- (3) The following documents must be enclosed with the delivery of drawing parts: Original drawings, order specifications or item lists. Otherwise the delivery shall not be deemed to be completed. In the event of repeated deliveries of the same parts, corresponding copies must be enclosed.
- (4) The Supplier shall be obliged to state precisely our order number, our order item, the part designation, the identification number and our order number on all shipping documents and delivery notes; if he fails to do so, we shall not be responsible for delays in processing.

§ 6 Investigation of defects - guarantee – defect liability quality assurance – REACH

- (1) We are obliged to check the goods within a reasonable period for any possible quality and quantity deviations; the complaint shall be deemed punctual insofar as this is received by the Supplier within 7 calendar days, calculated from the receipt of the goods or in the case of concealed defects from the date of discovery.
- (2) The goods that are to be delivered must be free of defects, correspond to the specifications specified by us, be developed and manufactured in accordance with the latest state of the art and be usable without restriction for the contractually presumed use and must also comply with the relevant legal and official protection regulations applicable in the Federal Republic of Germany.
- (3) We are entitled to assert the statutory defect warranty claims. We shall under all circumstances be entitled to demand from the Supplier, at our discretion, either rectification of the defect or delivery of a new item. The right to compensation, in particular the right to compensation in place of performance, is expressly reserved.
- (4) We shall be entitled to remedy the defect ourselves at the expense of the Supplier expense if there is imminent danger or special urgency.
- (5) The limitation period for material defects and defects of title is 3 years. This shall begin with the delivery of the goods or the acceptance of the service/goods by us. In the case of software installation services and the preparation of expert opinions, the limitation period is 4 years. This shall commence at the end of the year in which the delivery/acceptance took place. The limitation period for spare parts ordered at the same time as the principal item and designated as spare parts in the Agreement shall commence upon proper storage of the spare parts and commissioning of the spare parts. It shall end at the latest 3 years following delivery of the principal item or receipt of the spare parts, insofar as these have not been delivered together with the principal item. In the case of repaired or newly delivered parts of the Supplier, the limitation period shall commence with the ending of the rectification or the new delivery.
- (6) If the order includes the production of drawing parts, then the following shall be additionally applicable: Prior to production, the Supplier shall check the conformity of the model and drawing as well as the casting feasibility and shall guarantee this. Subsequent objection to a faulty construction is excluded.
- (7) The Supplier undertakes to ensure constant quality assurance by means of suitable tests and checks, in particular before goods are dispatched. He must document these tests and checks. We shall be entitled to ascertain the type of quality assurance on site, if necessary including at subcontractors. In addition, we expressly reserve the right to conclude a quality assurance agreement with the Supplier.
- (8) The Supplier undertakes to deliver only goods to us that fulfil all criteria of the EU Regulations (EC) 1907/2006 (“REACH”) and (EC) 1272/2008 (“CLP Regulation”). These obligations include in particular the registration and information obligations pursuant to REACH as well as the classification, labelling and packaging obligations of the CLP Regulation. The Supplier shall provide us free of charge with the necessary safety data sheets for substances and mixtures upon request, in order to determine the suitability of the materials. The Supplier shall automatically send us safety data sheets in good time before the first delivery and again free of charge as soon as relevant changes become necessary. Fulfilment of the registration obligation and the transmission of current and complete safety data sheets are in particular regarded by us as an essential basis for all deliveries. The Supplier already now indemnifies us from all recourse claims brought by third parties in the event that the safety data sheets were not delivered, were delivered late or were delivered incorrectly. In the event of the delivery of products pursuant to the definition of REACH, the Supplier undertakes to deliver only products whose content of substances of very high concern included on the “candidate list” of the European Chemicals Agency does not

exceed 0.1% (m/m). The Supplier shall notify us if the goods contain a substance on the candidate list – including below the 0.1% limit.

§ 7 Product liability - indemnity - liability insurance protection

(1) Insofar as the Supplier is responsible for product damage, he shall be obliged to indemnify us upon first request against claims for damages brought by third parties to the extent that the cause lies within his sphere of control and organisation and he himself is liable externally.

(2) Within the context of his liability for damage within the meaning of Para. 1, the Supplier shall also be obliged to reimburse any possible expenses pursuant to §§ 683, 670 BGB as well as pursuant to §§ 830, 840, 426 BGB that arise out of or are associated with a recall measure conducted by us. As far as possible and reasonable, we shall inform the Supplier about the content and scope of the recall measures to be carried out and give him the opportunity to respond. Other statutory claims remain reserved.

(3) The Supplier undertakes to maintain a product liability insurance policy with a cover sum of € 5 million per personal injury/damage to property – lump sum – and to present proof of this to us upon request. If we are entitled to further claims for damages, then these remain reserved.

(4) If we were required to ascertain the defect for which the Supplier is responsible and/or to take measures to avert the damage, we shall only be held liable in relation to the Supplier for wilful intent and/or gross negligence on the part of our managing officers, employees and vicarious agents.

(5) The Supplier shall refrain from asserting recourse claims against us in connection with product or producer liability. This exclusion shall not, however, be applicable in the event of wilful intent or gross negligence or negligent breach of material contractual obligations by us as well as in the event of wilful intent or negligent mortal injury, physical injury and health impairment committed by us.

§ 8 Proprietary rights

(1) The Supplier shall be responsible for ensuring that no rights of third parties are infringed in connection with his delivery.

(2) If claims are asserted against us by a third party due to an infringement of his rights pursuant to Para. 1, the Supplier shall be obliged to indemnify us against these claims upon our first written request.

(3) The obligation of the Supplier to indemnify relates to all expenses necessarily incurred by us as a result of or in connection with claims asserted by a third party.

(4) The limitation period amounts to ten years, calculated from the date of the signing of the Agreement.

§ 9 Reservation of title of the Supplier

(1) Insofar as the delivered goods are goods that must be sold quickly by us due to their condition or intended use, the Supplier shall not be entitled to reserve the title to the goods. We shall then reserve the unrestricted title upon delivery of the goods to our premises or to the places of acceptance specified by us.

(2) A prohibition of competition as well as an extended reservation of title of the Supplier pertaining to the goods delivered by him shall under all circumstances be excluded. Provisions that deviate from this in general terms and conditions of business, order confirmations, delivery notes and invoices of the Supplier shall not have any legal effect, even if we do not specifically contradict these.

§ 10 Provision - tools

(1) Insofar as we provide the Supplier with tools, we shall retain ownership of these. Processing or modification by the Supplier shall be performed on our behalf. If our reserved goods are processed with other objects that do not belong to us, we shall acquire co-ownership of the new object in proportion to the value of our object (purchase price plus VAT) to the other processed objects at the time of processing.

(2) If the object provided by us is inseparably combined with other objects that do not belong to us, we shall acquire co-ownership of the new object in proportion to the value of the object subject to reservation of title (purchase price plus value added tax) to the other combined objects at the time of combination. If the combination

takes place in such a way that the item of the Supplier is to be regarded as the principal item, it shall be deemed to have been agreed that the Supplier shall transfer co-ownership to us pro rata; the Supplier shall retain the sole ownership or co-ownership on our behalf.

(3) Insofar as the security rights to which we are entitled pursuant to Para. 1 and/or Para. 2 exceed the purchase price of all our reserved goods not yet paid for by more than 10%, we shall be obliged to release the security rights at our discretion at the request of the Supplier.

(4) We shall retain the title to tools; the Supplier is obliged to use the tools exclusively to manufacture the goods ordered by us. The Supplier is obliged at his own expense to insure the tools that belong to us at their new value against the risks of fire, water and theft. At the same time, the Supplier shall herewith assigns to us all claims for compensation brought under this insurance policy; we herewith accept the assignment. The Supplier is obliged to perform any necessary maintenance and inspection work on our tools as well as all maintenance and repair work at his own expense and in good time. He must notify us immediately of any malfunctions; if he culpably fails to do so, claims for damages shall remain unaffected.

§ 11 Confidentiality

(1) The Supplier is obliged to keep all images, drawings, calculations and other documents and information received from us strictly confidential. They may be disclosed to third parties only with our consent. The confidentiality obligation shall also remain in force following the settlement of this Agreement. The Supplier shall not be obliged to maintain secrecy or shall not be obliged to do so if the illustrations, drawings, calculations and other documents provided to the Supplier are publicly known at the time of handover to the Supplier. If the documents and information become publicly known at a later date, the confidentiality obligation shall expire at the time of their becoming known. The confidentiality obligation shall also not be applicable if the documents/information become known to the Supplier from a third party in a lawful manner or if the Supplier is obliged to disclose these on the basis of a court instruction or official order.

(2) If the Supplier breaches his confidentiality obligation, he shall be obliged to pay us a reasonable contractual penalty, to be determined by us in at our proper discretion, in respect of each breach. The Supplier and/or we shall be entitled to ask the competent court to review the level of the contractual penalty.

§ 12 Environmental management

The Supplier undertakes, when executing his deliveries and services, to apply the environmental management principles of the relevant standard DIN EN ISO 14001 or EMAS. Goods and services must be executed in an environmentally friendly and recycling compliant manner at all times, prohibited substances may not be deployed. The Supplier warrants that he shall also comply with all laws and regulations relating to the environment when procuring and/or manufacturing the delivery item.

§ 13 Assignment

The rights and obligations arising out of this contractual relationship may be assigned to third parties only with our consent.

§ 14 Applicable law - place of jurisdiction - place of performance

(1) The present contractual relationship is governed exclusively, even if the company headquarters of the Supplier is located abroad or if the delivery is provided from abroad, by the law of the Federal Republic of Germany, whereby the UN Sales Convention (CISG) shall be excluded.

(2) The exclusive place of jurisdiction is our company headquarters, insofar as the Supplier is a merchant; we are, however, also entitled to sue the Supplier at the court at his registered domicile.

(3) The place of fulfilment, unless the order specifies otherwise, is our company headquarters.