

# Rolf Meyer GmbH General Terms and Conditions of Purchasing

## 1. Scope of Validity

- 1.1 Any deliveries, performance and offers by us shall be based on these Terms and Conditions of Purchasing.
- 1.2 Terms and conditions of the Supplier deviating from or contrary to our Terms and Conditions of Purchasing are not binding on us, notwithstanding our unconditional acceptance of deliveries in face of our knowledge of such deviating terms and conditions. By delivery or performance the Supplier recognizes the validity and applicability of these Terms and Conditions of Purchasing.
- 1.3 These Terms and Conditions of Purchasing shall only be applicable with respect to entrepreneurs as defined in §14 German Civil Code.
- 1.4 Our Terms and Conditions of Purchasing shall also be applicable to all future business transactions with the Supplier, even if not explicitly agreed.

## 2. Orders

- 2.1 Acceptance of our order must occur within two weeks of receipt of such order by written confirmation of the Supplier. The order confirmation must set forth the exact price, time of delivery and any other details not included in the offer, if any.
- 2.2 We are entitled to demand reasonable technical modifications of the goods and/or modification of the time of delivery. Reasonable consequences of such modifications, in particular increases or decreases in prices, as well as delivery time, shall be determined by mutual agreement.
- 2.3 We reserve all copy rights and rights of ownership in all illustrations, drawings, calculations and any other documents relating to the offer. Such documents must not be made available to third parties except with our prior written consent, must be used solely for the production of the goods ordered by us, and must be returned to us without demand and free of charge once our order has been fulfilled.
- 2.4 Illustrations, drawings, calculations and any other specifications of performance supplied by us in connection with the contract are binding on the Supplier. Any deviation from the specifications provided by us will only be binding if we have agreed writing.
- 2.5 Our sales staff is not authorized to agree to oral supplements to the contract, to make promises or to give guarantees.
- 2.6 Subject to the provisions of Section 2.2, amendments and modifications to the contract must be in writing.
- 2.7 The Supplier shall supply replacement parts for a machine at the applicable replacement part prices for a period of five years after the date of delivery of such machine.

## 3. Prices and payment

- 3.1 The prices specified by us are binding. If no prices are specified, our current list prices shall be applicable. Payments will be made in Euro. We are free to select the means of payment.
- 3.2 Prices are fixed. We are entitled to demand price adjustments if there is a decrease in production costs or raw material prices.
- 3.3 All prices are free our delivery address and include the required turnover taxes and packaging. We are entitled to determine the type of packaging, means of conveyance, route of transport and transport insurance.
- 3.4 The payment due date for deliveries accepted by us before the agreed upon delivery date shall be based on the agreed upon delivery date, not the date of acceptance. If we receive goods after receipt of the invoice for such goods, the date of delivery of the goods shall be deemed the date of the invoice.
- 3.5 Subject to our right to invoice checking, payments will be made, at our discretion, within 10 days after receipt of invoice with a 3% discount, or within 30 days of receipt of invoice without a discount. A discount shall not affect our right to make payment by bill of exchange. The period for payment will not begin before full performance by the Supplier has occurred.
- 3.6 Invoices must be submitted to us in duplicates at the time of shipment of the goods, but must not be included with such shipment. Invoices must include our order number and date of order as well as Supplier's tax identification number. Improper invoices will be regarded as not submitted.
- 3.7 To the extent Supplier's goods or performance can be provided without levying turnover tax, the Supplier shall provide, or cooperate with respect to the provision of, the required supporting documents. With respect to deliveries within the EU, the Supplier must provide its VAT registration number and information as to whether Supplier is an entrepreneur, and cooperate with respect to the provision of proof of exportation as shown by the books and vouchers.
- 3.8 We reserve our legal right to setoff and right to refuse performance until counter-performance is affected.
- 3.9 By making payment we do not acknowledge that delivery was effected in accordance with the contract.
- 3.10 The Supplier must not assign its claims against us or permit a third party to collect claims against us without our prior written consent, which consent shall not be unreasonably withheld.

## 4. Delivery dates and delays in delivery

- 4.1 Delivery dates set forth in the order are binding. Goods shall be deemed delivered when received at the address provided by us.
- 4.2 If events occur or are likely to occur that would result in Supplier's not meeting the delivery deadline, the Supplier shall provide immediate notice to us, including cause and likely duration of the delay.
- 4.3 If the Supplier does not meet the agreed upon delivery deadline, we are entitled, after the expiration of a reasonable grace period for performance set by us, to withdraw from the contract without prejudice to any further rights and relief available to us under law. If the delay is caused by Supplier's default, we are entitled, upon our discretion, to demand delivery and damages for the delay or to withdraw from the contract and demand damages instead of performance.
- 4.4 In case of force majeure, strike or other unforeseeable circumstances beyond the control of the Supplier, we are entitled to withdraw from the contract or demand performance at a later point in time, neither of which shall entitle Supplier to claims against us beyond the original contractual claims.
- 4.5 We reserve the right to return at the expense of the Supplier goods delivered before the agreed upon delivery date. Storage fees for goods delivered before the agreed upon delivery date and not returned by us shall be for the account and at the risk of the Supplier.
- 4.6 Our acceptance of delayed deliveries is without prejudice to our rights. If the delayed delivery is not conform for other reasons, in particular incompleteness or defectiveness, we shall not be obligated to grant a further grace period.
- 4.7 If goods are not delivered on time, we are entitled to a contractual penalty amounting to 0.5% of the value of the order per week, up to a maximum of 10% of the aggregate value of the goods to be delivered. The contractual penalty will be credited against any further damages to which we may be entitled due to the delay. Our acceptance of delivery does not prejudice our right to make claims for a contractual penalty at any time before we make final payment. We reserve our right to any other claims available to us under law. After the expiration of a reasonable grace period we are entitled to demand damages instead of performance and/or to withdraw from the contract. If the Supplier proves that the amount of damages incurred by us was lower than the contractual penalty, the Supplier will be entitled to pay such lower sum instead of the contractual penalty.

## 5. Delivery - risk of loss - packaging

- 5.1 We will accept delivery of goods in installments only if expressly agreed.
- 5.2 All goods must be supplied with bills of delivery. Bills of delivery and all shipping documents must contain exact specifications of the delivered goods, including item, description and quantity, as well as all our order data. We will not be answerable for delays in processing due to incomplete bills of delivery and shipping documents.
- 5.3 Risk of loss shall pass upon receipt of the goods at the delivery address provided by us.
- 5.4 The Supplier shall be liable for the consequences of incorrect shipment and/or incorrectly made out bills of lading. Any freight paid deliveries agreed upon must be delivered postage paid. We will not prepay freight.
- 5.5 Risk of shipment and freight insurance are at the expense of the Supplier. Dispatch notes must be provided separately for each department upon receipt of shipment. Order number and order confirmation number must be provided on the stick-on-labels of wagon freight and each item of shipments at less-than-carload, as applicable. Bills of lading must contain order number and order confirmation number.

## 6. Inspections for defects - warranties

- 6.1 We are obligated to inspect goods delivered within a reasonable period for defects in quality or deviations in quantity. Complaints will be deemed timely if received by the Supplier within 10 work days after delivery, or, if such defects could not be discovered in the course of a proper inspection, within 10 work days of discovery of such defects. We explicitly reserve our right to not to recognize deliveries in excess of the ordered goods as constituting performance of the contract.
  - 6.2 In case the Supplier fails to rectify defects, we are not obligated to inspect goods or services provided by the Supplier in its attempts of rectification or to make complaints with respect thereto.
  - 6.3 We are entitled without any qualifications to all claims based on defect provided by law. Independent thereof, we are entitled to demand from the Supplier, upon our discretion, rectification or replacement delivery. The Supplier shall be responsible for all necessary costs of such rectification or replacement. We explicitly reserve our rights to damages, in particular damages instead of performance; hence our claim for performance shall continue to exist until the time we demand damages instead of performance in writing.
  - 6.4 The Supplier shall reimburse us for any expenses in connection with our contract if we withdraw from the contract due to the existence of defects.
  - 6.5 Claims for defects become time-barred at the statutorily determined time, but in no case earlier than 2 months after we have satisfied claims from our customers with respect to the same defects; provided, however, that the tolling of the statute of limitation will end at the latest 5 years after our receipt of the goods. The statute of limitation for replacement parts will run from the date such parts were provided. The statute of limitation will be tolled for the period of Supplier's inspection for defects or rectification (which period shall include Supplier's commencement of inspection and Supplier's passing on of the delivered goods to third parties for purposes of inspection) until the time the Supplier notifies us of the result of its inspection, declares the defect rectified or refuses to continue with the rectification.
  - 6.6 Claims for defects in title will become time-barred after 10 years.
  - 6.7 If the Supplier is in delay with respect to rectification or replacement or in urgent cases when the Supplier cannot be reached or is unable to provide rectification or replacement we have the right to undertake, or to ask third parties to undertake, such rectification or replacement at the expense of the Supplier. We will notify the Supplier immediately of such event.
  - 6.8 We reserve our right to recourse under §478 and §479 German Civil Code. Costs accumulated by us with respect to our duty of rectification or replacement and all costs imposed on us by our customers shall be deemed costs of replacement or rectification, independent of whether the goods supplied were further processed by us or third parties and independent of whether such third parties or end customers are entrepreneurs.
  - 6.9 We reserve the right to withdraw from the contract with the Supplier without setting a period for performance if due to defects of the goods the Supplier provided we take back goods produced and/or sold to us, if the price of such goods is reduced, or if other claims were brought against us with respect to such goods.
  - 6.10 The statute of limitation for parts repaired or replaced within the applicable statute of limitation shall begin to run anew beginning with the date the Supplier completely fulfilled our claims for rectification or replacement.
  - 6.11 The Supplier shall reimburse us for any costs resulting from defective deliveries, in particular costs for transportation, tolls, labor and material, as well as costs of delivery inspections exceeding customary amounts.
  - 6.12 The Supplier shall be liable and shall indemnify us upon first request with respect to any defects of supplied goods for which we receive claims from our customers and that were caused by Supplier's incorrect public statements, in particular advertisements or descriptions of quality; provided, however, that the Supplier shall have no liability for incorrect statements that the Supplier proves not to have been made on its account.
7. Product liability - indemnification - insurance - quality assurance
  - 7.1 To the extent the cause of the damages was within Supplier's sphere of influence or organization and the Supplier would be liable towards third parties, the Supplier shall indemnify us on first demand against claims from third parties with respect to any damages of goods for which the Supplier is responsible.
  - 7.2 Without prejudice to any further legal rights available to us, the Supplier shall reimburse us for all expenses resulting from or in connection with any recall initiated by us. We will timely inform the Supplier, to the extent feasible and reasonable, about the matter and the scale of a recall.
  - 7.3 The Supplier shall maintain products liability insurance with a blanket coverage of Euro 5 Million per damage to person/property, provided that our rights to greater damages shall not be prejudiced thereby.
  - 7.4 The Supplier shall be liable for the conformity of the supplied goods to acknowledged rules of technology, safety regulations and any other regulations. The Supplier shall comply with generally recognized standards such as DIN, ISO, VDI and VDE.
  - 7.5 The Supplier shall be liable for defects in design, manufacturing and instruction as well as for defects that could have been discovered by proper inspection before delivery to us.
8. Industrial property rights
  - 8.1 The Supplier shall guaranty that no industrial property rights of third parties will be violated in connection with its deliveries. The Supplier acknowledges that we distribute our products worldwide.
  - 8.2 The Supplier shall indemnify us upon first demand against any claims by a third party regarding a violation of such party's industrial property rights. We will not make arrangements or enter into a settlement with such third party without Supplier's consent.
  - 8.3 Supplier's duty of indemnification shall extend to all necessary costs resulting from or relating to such third party claims.
9. Provision of Material
  - 9.1 We retain title to any parts we provide to the Supplier. Processing or transformation of such parts by the Supplier shall be for our benefit. If parts or goods with respect to which we retain ownership right ("reserved goods") are processed or transformed together with other goods that we do not own, we shall acquire co-ownership in the new goods in the proportion of the value of such reserved goods at the time of processing to the other goods processed.
  - 9.2 If parts supplied by us are irreversibly mixed with goods in which we have no ownership rights, we shall acquire co-ownership in the new good in proportion of the value of the reserved goods at the time of mixing to the value of the other mixed goods. If the mixing results in Supplier's goods constituting the principal thing, we shall acquire a proportionate co-ownership. The Supplier shall keep goods in which we have ownership or co-ownership on our behalf.
10. Reservation of title
  - We hereby explicitly contest any extended, enlarged or other reservation of title of the Supplier with respect to goods ordered by us.
11. Place of performance -venue - applicable laws
  - 11.1 Unless otherwise provided in our order, the place of performance shall be our principal place of business.
  - 11.2 If the Supplier is an entrepreneur, venue for all disputes shall lie in our principal place of business. Notwithstanding the foregoing, we shall also be entitled to bring claims against the Supplier at Supplier's place of natural jurisdiction.
  - 11.3 Our relationship shall be subject to the laws of the Federal Republic of Germany.