

General Conditions of Purchase (GCP) for the KettenWulf Group

Section 1 General - Scope

1. The following GCPs apply exclusively and finally, even if not specifically agreed in the individual case, for all transactions involving deliveries to us, even if we accept without reservation deliveries from the supplier, knowing that his terms of business are contrary to or different from our GCPs. The GCPs only apply if the seller is an entrepreneur within the meaning of Section 14 of the German Civil Code (BGB), a corporate body under public law or a public special fund.

Unless stipulated otherwise, the GCPs in the version valid at the time of ordering or the last written version provided to the supplier apply also as a master agreement for similar future contracts without any obligation on our part to point this out in each individual instance.

Any differing, contrary and/or supplementary General Terms and Conditions of Business and Delivery of the supplier are herewith rejected and shall be deemed to have been waived, even if they are not expressly rejected at the time of the conclusion of the contract or at a later time or if they supplement these GCPs. They become part of the contract only in exceptional cases and only to the extent to which we have expressly consented in writing to their applicability. This requirement of consent shall apply in any event, for example even if we accept the delivery without reservation although we are aware of the supplier's General Terms and Conditions of Business and Delivery.

2. Our employees are not authorised to agree, on delivery notes, receipts of delivery or similar documents, to the applicability of any terms of purchase other than these GCPs. With the first partial delivery of the goods (things, rights etc. in a comprehensive sense) at the latest, the applicability of these GCPs shall be deemed to have been accepted, also for subsequent orders, even if no special reference is made to them.
3. Individual agreements entered into with the supplier in an individual case (including side agreements, supplements and changes) shall in any case take priority over these GCPs. Subject to proof of the contrary, a written contract or our written confirmation shall be decisive with regard to the content of such agreements.
4. Legally binding declarations and notifications required from the supplier following the conclusion of the contract (e.g. setting of deadlines, reminders, declarations of cancellation or reduction) require the written form in order to be effective.
5. References to the applicability of legal provisions are for purposes of clarification only. Even without such clarification the legal provisions shall therefore apply unless directly amended or expressly excluded in these GCPs.

Section 2 Offer, Offer documents

1. Offers submitted by the supplier shall be non-binding and free of charge for us.
2. Only orders issued by us in writing shall be binding for us. Oral agreements shall only be effective if they have been confirmed by us in writing. The supplier must point out to us obvious errors (e.g. spelling or calculation errors) and any incompleteness of the order including the order documents; the contract shall otherwise be considered not concluded, Section 154 BGB.
3. Orders must without delay be confirmed by the supplier in writing with his signature. We reserve the right to cancel our order if we do not receive such confirmation within 14 days. A belated acceptance shall be deemed to be a new offer and requires acceptance by us.
4. With regard to quantity, quality and execution, the supplier shall adhere to the terms of the enquiry or of the invitation to tender, and in the event of a deviation he shall expressly identify such deviation in writing. Otherwise he will forfeit his claim for additional remuneration. He is bound by his offer for four weeks. If there are differences with regard to quantity, dimensions or weight of the supplied goods, the definitive values shall be those determined by our inspection of incoming goods. We reserve the right to accept or reject under- or over-deliveries.

Section 3 Prices - Terms of payment - Invoicing

1. The price specified in the order shall be binding and inclusive of all ancillary costs. Unless otherwise agreed in writing, the price shall include delivery free buyer's address, i.e. free our goods received department or other expressly agreed place of use, including packaging, insurance etc. If otherwise agreed, freight and packaging costs shall be advanced by the supplier and identified separately in the invoices. Changes based on subsequently increased costs, taxes etc. are excluded.

If the price is not fixed at the time the order is placed, it must be communicated to us at the time of confirmation of the order at the latest. If we do not object within 10 working days, this price shall be deemed to have been approved by us. The method of pricing shall not in any way affect the agreement with regard to the place of performance.

2. The price shall be inclusive of the statutory value added tax. Value added tax shall be shown separately in the supplier's invoices.
3. Invoices can only be processed by us if they state, in accordance with the specifications in our order, the order number assigned therein. The supplier shall be held responsible for all consequences arising from non-adherence to this obligation, unless he can prove that he is not responsible for such consequences. Invoices shall be submitted to us separately,

immediately following delivery, in compliance with legal and official requirements. Monthly invoices must also be submitted no later than on the fifth day of the month following the month of delivery.

4. In any event, payment will be due only after complete delivery and fulfilment of the goods and receipt of a customary invoice conforming to the German Value Added Tax Act (Umsatzsteuergesetz, UstG), Ordinance regulating VAT (Umsatzsteuer-Durchführungsverordnung, UstDV) and ruling VR 33/01 of the German Federal Fiscal Court (Bundesfinanzhof, BFH). Unless otherwise agreed in writing, we will then pay the purchase price at a discount of 3 % within 14 days or without deductions within 30 days of the day following delivery and corresponding receipt of the invoice. If the invoice is received before the goods, the date of the delivery shall be decisive for the calculation of the discount period. For the timeliness of payments owed by us, receipt of our transfer order by our bank shall be sufficient.
5. The rights of offsetting and retention as well as the plea of non-performance of the contract are available to us according to statutory provisions. In particular, we are entitled to withhold due payments for as long as we are still entitled to claims against the supplier arising from incomplete or defective performance. We shall not be liable to pay interest on arrears. The statutory provisions regarding payment default shall apply.
6. The supplier shall have a right of set-off and/or right of retention only in cases of claims that have been legally established or are undisputed.
7. The supplier may assign his claims or have them collected by a third party only with our written consent. Partial assignment by the supplier is excluded. This does not apply insofar as the claims are claims for money.

Section 4 Delivery time - execution

1. Each order must be confirmed without delay, stating the binding delivery time (delivery date or delivery period). The delivery time specified in the order is binding. The delivery time starts on the day when the order is received by the supplier. If the day on which the delivery has to be effected at the latest can be determined based on the contract, the supplier shall be deemed to be in default at the end of that day without any need for a reminder on our part. The decisive factor for compliance with the delivery date or delivery period shall be receipt of the goods at the unloading point or goods received department designated by us.
2. In the event of default of delivery we shall be entitled to demand lump-sum default damages to the amount of 1% of the delivery value for each week of default commenced, but no more than 5 %; further-reaching statutory claims (withdrawal and damages in lieu

of performance) shall remain reserved. The Supplier shall be entitled to demonstrate that no damage at all or significantly less damage was incurred as a result of the default. In the event of default on the part of the supplier, and after unsuccessful expiry of an appropriate grace period set by us, we have the right to have the delivery of goods not yet provided by the supplier carried out by a third party at the expense of the supplier.

3. If, even as a result of force majeure, the supplier is not able to meet a delivery date, he must notify us in writing, immediately upon gaining knowledge of the hindrance. In this case we have the right either to postpone the acceptance date, or, if our interest in receiving delivery is thereby substantially reduced, to withdraw from the contract in whole or in part and to claim damages. The supplier shall not be entitled to derive any claims from this. In particular, the supplier shall not be entitled, in cases of force majeure or similar, to withdraw from the contract or to raise prices at his own discretion.
4. If first samples / release samples are demanded by us, the supplier must not start series production until written approval of the sample and release for series production have been issued.
5. We are entitled to demand subsequently modifications to the delivery or service within the technical capability of the supplier. Technical changes and their impacts on prices, delivery times or other conditions must be agreed in writing in accordance with Section § 2 of these General Conditions of Purchase.
6. In cases of urgent operational business requirements, for instance resulting from force majeure, fire, flooding, discontinuation of a product etc., we are entitled to withdraw from the contract, against payment of a compensation in the amount of 5 % of the agreed price of the goods not yet delivered under the respective order without incurring further costs. The supplier shall be entitled to demonstrate that the expenditure incurred by him as a result of the above withdrawal was greater.
7. If a delivery is found to be subject to any possible export restrictions, the supplier shall immediately inform us about this circumstance in writing.

Section 5 Shipping - Transfer of risk - Documents

1. Unless otherwise agreed in writing, the delivery is to be made to the shipping address/place of use (destination) specified by us in the order. This destination is also the place of performance for the delivery and for any supplementary performance.
2. The risk of accidental loss or accidental deterioration of the goods shall be transferred to us upon handover at the place of performance. If an acceptance procedure has been agreed on, this is decisive for the transfer of risk. The supplier shall be liable for all

damage, demurrage, etc. Default of acceptance by us shall be deemed equivalent to delivery or acceptance.

3. The statutory provisions shall apply with regard to our coming into default of acceptance. The supplier must, however, expressly offer his performance even if a specific or definable calendar time has been agreed for an action or assistance on our part (e.g. provision of material). If we come into default of acceptance, the supplier has the right to demand compensation for his additional expenditure in accordance with the statutory provisions (Section 304 BGB). If the contract concerns a non-fungible item that is to be manufactured by the supplier (single-item production), the supplier shall only be entitled to further-reaching rights if we agreed to an obligation to provide assistance and are responsible for the failure to provide assistance.
4. The supplier shall include with every delivery a delivery note and state exactly on all shipping documents and delivery notes our order number and our reference number; if he fails to do so, he shall be responsible for the delays caused by this failure.
5. If requested by us to do so, the supplier must immediately make available to us verifications of origin, properly signed, containing all required details. This shall also apply correspondingly to VAT documents in the case of international and intra-Community deliveries.
6. Partial deliveries are only permissible if agreed in writing; else we may refuse acceptance or acceptance of the partial delivery.
7. The supplier shall take out transport insurance at his own expense.

Section 6 Quality - Defects investigation - Claims for defects

1. The supplier expressly warrants use of best, appropriate materials, appropriate proper assembly, correct and proper execution, for power requirement, performance, efficiency, and that the sold goods completely match the samples, patterns and descriptions supplied by him. The goods must conform to the respective guidelines, directives, regulations and DIN standards, comply with object insurers' requirements and bear the CE certificate of conformity. If deviations from these regulations are necessary in individual cases, the supplier must obtain our written consent. The supplier's liability is hereby not affected. If the supplier has any reservations concerning the mode of execution, the supplier must immediately communicate these reservations in writing.
2. With respect to the duty to inspect the goods and notify the supplier of any defects, the statutory provisions (Sections 377, 381 HGB) apply subject to the following restriction: Our duty of inspection shall be limited to defects which become apparent during incoming goods inspection through external survey including the shipping documents as

well as during our quality control by means of sampling (e.g. transport damage, faulty deliveries or under-deliveries). The duty of inspection does not apply if acceptance has been agreed. Apart from that, it depends on the extent to which an inspection is feasible according to proper business routines, taking into account the circumstances of the individual case. Our obligation to give notice of defects discovered at a later point in time remains unaffected. In any event, our notification of defects shall be deemed to be without delay and timely if it is delivered to the supplier within five working days, counted from receipt of goods or, in case of hidden deviations, from their discovery.

In all cases where a defect rate was agreed with the supplier and this defect rate is exceeded, we are entitled to return the entire delivery at the supplier's risk and expense. If no specific agreement regarding the defects rate is in place, we are entitled if the defects rate of a delivery exceeds 1% of the respective delivery quantity.

3. If the delivery has been made or the service has been rendered in accordance with the contract, or if any defects that were found have been rectified, it will be accepted by us. If a trial run is provided for, acceptance shall be declared by way of a joint inspection report following a faultless trial run. The costs for repeat inspections made necessary by defects found by us during previous inspections shall be fully borne by the supplier.
4. Costs incurred by the supplier for the purpose of inspection and supplementary performance (including any costs for dismounting and re-mounting) shall be borne by the supplier even if it should turn out that there were in fact no defects. Our liability for damages in cases of unjustified requests to rectify a defect remains unaffected; however we only accept liability insofar as we recognised or were grossly negligent in failing to recognise that there was no defect.
5. We shall be entitled to the statutory defect claims without restriction. The supplier shall bear all the expenditure necessary for the purpose of remedying the defect, or compensate us for the expenditure incurred by us in this connection. Furthermore we have the right to withdraw from the contract or to give notice if (preliminary) insolvency proceedings are initiated over the assets of the supplier or if the supplier ceases, not only temporarily, to make his payments.
6. In accordance with the statutory provisions the supplier shall in particular be liable to ensure that the goods have the agreed properties and condition at the time of the transfer of risk. In any case, those product descriptions that are the subject matter of the respective contract or are incorporated in the contract in the same way as these conditions of purchase - in particular due to identification or reference in our order - shall be deemed to constitute an agreement on the properties and condition. It makes no difference whether the product description originates from us, from the supplier or from the manufacturer.

7. The right to claim damages, in particular the right to claim damages for non-performance is expressly reserved.

In particular, the supplier shall be liable to compensate us for any damage, including consequential damage, arising from the presence of a defect.

If the supplier does not honour his obligation to supplementary performance, either by remedying the defect (rectification) or by supplying an item which is free from defects (replacement) at our option, within an appropriate time limit set by us, we have the right to remedy the defect ourselves and demand from the supplier compensation for the expenditure incurred in this respect or an appropriate advance payment. If supplementary performance by the Supplier has failed or is unreasonable for us (e.g. because of particular urgency, danger to operational safety or imminence of disproportionate damage), no time limit needs to be set. We shall advise the supplier of such circumstances without delay, if possible in advance. Payment of the purchase price made in part or in full before the defects were discovered or acceptance or approval of documents submitted to us (drawings, drafts, models, specimens, samples, intermediate products, etc.) does not in any way represent an acknowledgement that the goods are free from defects and as such do not constitute a waiver of claims for rectification of defects.

8. For delivery parts that were taken out of operation because of defects, an ongoing period will be extended by the duration of the interruption of operations.
9. Our claims for defects expire after 36 months. However, the period shall not begin until the goods have been delivered completely and free from defects. Notices of defects can be lodged at any time until the end of the limitation period, with the first notice of defects suspending the limitation period until all notices of defect have been resolved, unless it is an act of goodwill on the part of the supplier or the defects are totally insignificant.
10. Goods purchased from the catalogue are purchased on trial and may be made available to the supplier within eight working days of receipt if they are not fit for the purpose of the contract as stated by us, without the supplier thereby acquiring any claims.

Section 7 Liability - Indemnification - Property rights of third parties

1. The supplier shall indemnify us from all direct third party claims made against us for poor performance on the part of the supplier. The supplier has the right to demonstrate contributory default on our part. The limitation period for claims under this section ends 4 years after we gained knowledge or should have gained knowledge, but no later than 15 years after complete delivery.
2. If the supplier is responsible for any product defect, he shall be obliged to indemnify us upon first demand from any claims for damages made by third parties, in particular from

any product liability claims, insofar as the cause lies in his sphere of authority and organisation and he is himself liable vis-à-vis third parties.

3. Within the scope of this provision, the supplier is also obliged to reimburse us for all expenditures according to Sections 683, 670 or according to Sections 830, 840, 426 BGB incurred as a result of or in connection with any recourse taken by third parties including recall actions carried out by us in accordance with the legal provisions. To the extent that it is possible and reasonable, we shall inform the supplier in advance of the content and scope of the recall measures to be carried out and give him the opportunity to comment. Further-reaching statutory claims remain unaffected.
4. The supplier must take out a product liability insurance with a lump sum insured of at least EUR 2,500,000.00 per personal injury/property damage. Proof must be provided upon request. If we are entitled to further claims for damages, they shall remain unaffected.
5. Inspections undertaken by ourselves at our site do not relieve the supplier of the obligation to perform a faultless delivery.
6. The supplier shall also be liable to ensure that the goods, specimens and brands are free from third party property rights of any kind and that no property rights of third parties, in particular patents and intellectual property rights, in member states of the European Union or in other countries, in which he produces the goods or has the goods produced are breached, and also to ensure that the delivered goods are in conformity with all statutory provisions and regulatory requirements, to the extent to which he had knowledge of the breach or, as specialised company, should have had knowledge of the breach. In the event of a breach of such rights or provisions of public law, the supplier shall indemnify us from claims for damages made by third parties, and reimburse us for all expenditures incurred in connection with such claims. We are entitled to secure, at the supplier's expense, from the owner of the property rights the approval required for delivery, commissioning, use, resale etc. of the delivery item, if the costs arising as a result thereof are significantly lower than the damage that would be incurred by both parties in the case of rescission of contract. Our further-reaching statutory claims due to legal defects of the products delivered to us remain unaffected.

Section 8 Retention of title - Provision - Rights

1. Assignment of the goods to us shall take place unconditionally and regardless of the payment of the price. However, if we accept, in an individual case, an offer for assignment on condition of payment of the purchase price, the supplier's retention of title shall expire at the latest upon payment of the purchase price for the delivered goods. In the proper course of business we remain authorised to resell the goods under assignment in advance of the resulting claims (alternatively applicability of the simple retention of title and of the

retention of title extended to resale). In any event, all other forms of retention of title, in particular extended retention of title, transferred retention of title and retention of title extended to further processing are excluded. The same applies to the documents provided by the supplier as part of the delivery. By making the delivery, the supplier represents that he has full authorisation to dispose and that not third party rights exist. If this is not the case, it must be expressly stated. We shall then be entitled to a right of retention.

2. We retain title to all items provided by us to the supplier. Processing or transformation by the supplier shall be performed on our behalf. If our retained goods are processed with other items that do not belong to us, we shall acquire partial ownership of the new item in the same ratio as the value of our goods to the value of the other processed goods at the time of processing.
3. If the item provided by us is indivisibly mixed with other objects not belonging to us, we shall acquire partial ownership of the new object in the same ratio as the value of the retained object (net purchase price plus VAT) to the value of the other mixed objects at the time they were mixed. If the intermixture is performed in such a way that the supplier's article must be regarded as the main article, it is agreed that the supplier shall transfer on us pro rata partial ownership; the supplier shall hold in trust on our behalf the sole property or the joint property.
4. If the value of the securities to which we are entitled under paragraphs 2 and/or 3 exceed by more than 10 % the purchase price of all our unpaid retained goods, we are obliged to release, upon our suppliers' demand, security rights at our discretion.
5. We reserve our title to tools; the supplier shall use the tools solely for the manufacture of the goods ordered by us. The supplier is obliged to insure, at his own expense, the tools belonging to us at original value against fire, water and theft. He is obliged to perform any necessary maintenance or inspection work in a timely manner at his own expense. He shall inform us about any incidents without delay; should he culpably fail to do so, any claims for damages remain unaffected.
6. We reserve all rights to software (including source code), drawings, products or data of various types produced according to our specifications, as well as the methods and inventions developed by us. Copies may only be made to the extent to which they are indispensable for the manufacture of the goods ordered by us. The supplier undertakes to return the documents at any time upon our request and to destroy any copies he may have made. The supplier shall have no right of retention whatsoever concerning such documents.
7. We reserve all ownership and intellectual property rights with respect to all figures, drawings, calculations and any other documents provided by us; such documents shall not be disclosed to any third party without our express written approval. They are to be used

exclusively for manufacture based on our order; they are to be returned to us, without request, on completion of the order. They must be kept secret vis-à-vis third parties.

Section 9 Confidentiality

1. The supplier shall keep all technical and commercial documents, sketches, data and other information received from us in strict confidence. He shall not use them for his own purposes of competition, unless we expressly give our written consent to such use. They may be disclosed to third parties only with our express written consent.

For every infringement of these obligations, the seller will incur a contractual penalty to the amount of at least 10 % of the agreed price, but no more than the sum otherwise obtained by the supplier as a result of the infringement, if it is greater than the minimum amount. We will in each individual case determine the amount of the contractual penalty at our reasonable discretion. Claims for damages shall be unaffected.

2. The supplier has to treat the conclusion of the contract confidentially. He may name us as a reference to third parties only with our written consent.

Section 10 Place of jurisdiction, Choice of law, Severability clause

1. Our registered office shall be the sole place of jurisdiction (including international) for all disputes arising from this legal relationship. In any case we shall also be entitled to bring in action at the place of fulfilment for the delivery commitment in accordance with these GCPs or with a prioritorious individual agreement or at the supplier's general place of jurisdiction.
2. These GCPs and the legal relationship between us and the supplier shall be governed by the law of the Federal Republic of Germany, under exclusion of international uniform law, in particular of the UN sales law.
3. In the event of disputes, the German wording of these General Conditions of Purchase shall be binding.
4. These contractual terms shall remain effective, even if individual provisions thereof should be found to be void. In this case the invalid provision shall be supplemented or construed by the parties in such a way that the financial purpose intended by the invalid provision is achieved to the greatest possible degree. The same procedure shall be adopted in the performance of the contract if a lacuna should become apparent that must be supplemented. If the invalidity is based upon a definition of performance or time, it shall be superseded by the legally permissible measure.

If a provision of these Conditions of Purchase or of the contract should be found to be void with regard to mandatory foreign law, the supplier shall upon request agree with us

those contractual supplements and make those statements vis-à-vis third parties or authorities that are required to ensure the continued validity of the affected provision or, where this is not possible, of its commercial content, pursuant to the foreign laws.

Eslohe—Kückelheim, 01.04.2016