

Vecoplan AG's General Terms and Conditions of Purchase

1. General Information/Scope:

1.1 Our terms and conditions of purchase shall apply solely and for all business with suppliers, even if they are not mentioned again in subsequent contracts; we shall not accept the supplier's conflicting or deviating term and conditions and neither shall we at the time when we do not object separately in individual cases to the validity of the General T&Cs contained in order confirmations or similar documents nor when we make reference to a supplier document containing the supplier's General T&Cs, unless we have expressly agreed in writing to validity thereof. Our terms and conditions of purchase shall also then apply when we accept delivery from the supplier without reservation, aware of the supplier's conflicting or deviating terms and conditions. The supplier's deviating terms and conditions shall hereby be expressly excepted. This objection shall also apply to any precedence of its General T&Cs declared by the supplier.

These General Terms and Conditions of Purchase shall apply to all contracts between us and the supplier pertaining to the purchase of materials, objects, products, individual parts, software and all related services (goods) as well as for all contracts pertaining to the provision of works services by the suppliers. We refer to the fact that for certain services specific contractual provisions shall apply which shall be agreed on an individual contract basis and these General Terms and Conditions of Purchase may be supplemented or modified.

All agreements made between us and the supplier for the execution of this contract, shall be put in writing in this contract. No ancillary verbal agreements have been made.

1.2 Our terms and conditions of purchase shall only apply to companies in the sense of § 310 Para. 1 BGB (German Civil Code).

2. Tenders and conclusion of contract

In the tender the supplier must adhere exactly to what is requested and must explicitly refer to any

discrepancies in writing. The tender must be drawn up free of charge and does not constitute any obligation on our part.

3. Tender documents

We reserve the property rights and copyrights to illustrations, drawings, calculations, plans, templates and other documents; they must not be made accessible to third parties without our express written consent. They must be solely used for production based on our order; once the order is processed they must be returned to us without being asked to do so; a right of retention may not be asserted by the supplier with regard to our request for the above documents to be returned, unless, the counterclaim by the supplier is undisputed, accepted by us or is determined to be legally binding. They must be kept secret from third parties, insofar as the provision of Clause 23.2 also applies. The reproduction of copies or duplicates is not permissible without our written agreement.

4. Order

An order is only deemed to be placed, if we put this in writing to you. Verbally placed orders or orders placed by means of telecommunications are only binding for us, if we have subsequently sent written confirmation thereof.

Drawings, including tolerance indications, provided by us are binding in individual cases. Upon accepting the order the supplier knows that it can find out about the type of execution and scope of service from the drawings. We are not liable for obvious errors, clerical errors and computing errors in the documents, drawings and plans submitted by us. The supplier is obliged to inform us about such errors so that our order can be amended and redone. The same applies for missing documents or drawings.

Accepted orders as well as order changes we request must be confirmed in writing to us by the supplier without any changes within 10 days of the date of the order form or change of order form, or else we are entitled to revoke our order.

Discrepancies in quantity and quality in the text and content of our order and subsequent contractual changes are only deemed to be agreed when we have expressly confirmed this in writing.

5. Suspension/Termination

5.1 We are entitled, where justified, to arrange the contract to be suspended, i.e. to discontinue the contract. The supplier is obliged in these circumstances to protect pre-existing deliveries so that the contract can be resumed at any time. Additional costs arising from this for storage, surveillance etc, may only be asserted by the supplier if the suspension lasts longer than one month, unless otherwise contractually agreed.

5.2 We are entitled to terminate the contract at any time without giving reason, unless otherwise agreed in the order form. The supplier is thereafter entitled to demand the proportional payment for the deliveries or services provided up to the point in time of termination.

6. Scope of delivery and services

The supplier provides the deliveries and services as per the order form and the contractual documents referred to therein including these terms and conditions of purchase.

The deliveries and services must be executed in full such that utilisation as per the terms of the contract is guaranteed, even if the necessary measures, work, parts and tasks to this end have not been specified.

7. Additional deliveries and/or services

Additional deliveries and/or services, which extend beyond the agreed amount, may only be made by the supplier upon conclusion of a proper addendum to the contract in advance (order by us and accordant acceptance by the suppliers).

Without such a contract addendum being submitted we are entitled to refuse payment and/or request that the supplier take back the additional deliveries and/or services for us free of charge.

8. Retention of title/Right of use

8.1 The supplier is obliged to provide us with ownership of its deliveries and/or services without reservation.

Drawings, blueprints, templates and other documents provided by the supplier shall become our property upon transfer thereof.

8.2 The supplier shall grant us extensive and unlimited right of use of any existing copyrights, if this is necessary for the fulfilment of the contract and the use of deliveries/services as per the terms of contract.

9. Storage and ownership of supplied material

9.1 Supplied material remains our property. It must be stored separately as such and may only be used for our orders. The supplier is also liable without fault for reduction in value or loss. The objects which are produced with materials supplied by us belong to us in the respective production stage. The supplier stores these objects for us; costs for storing the objects and materials preserved by us are included in the contract price.

9.2 The provisions of Clause 9.1 shall apply accordingly to other objects supplied by us, particularly parts or tools. In this respect the supplier is obliged to insure these against fire, water damage and theft. At the same time the supplier immediately assigns to us any compensation claims arising from these insurances in relation to the afore-mentioned objects; we hereby accept assignment.

9.3 Any treatment or alteration to the objects we supply by the supplier shall be carried out for us as manufacturer. In the case of connection to other objects not belonging to us we shall acquire joint-ownership of the new items in proportion to the value of our items (purchase price plus VAT) with the other associated objects for the time they were connected. The same applies if mixed together.

10. Documentation

10.1 The supplier must at the agreed point in time, no later than delivery of goods or services, provide all technical documentation, particularly operating and maintenance manuals, training resources, drawings, technical datasheets, product safety sheets, factory test certificates, certificates of conformity and any other necessary and engineering practice-related documentation, as well as the correct source and object codes for software.

10.2 Unless otherwise agreed, for the delivery of machinery, incomplete machines and machine components the documentation also includes the following documents: For delivery of machinery according to the European Machinery Directive (Europäischen Maschinenrichtlinie) 2006/42/EG:

- Operating manual and certificate of conformity as well as risk assessment according to EN ISO 12100 (or during the transition period according to EN ISO 14121)

For delivery of incomplete machines or machine components according to the European Machinery Directive 2006/42/EG:

- Assembly instructions, installation certificate and operating manual as well as risk assessment according to EN ISO 12100 (or during the transition period according to EN ISO 14121)

All documentation must be processed according to the requirements of the European Machinery Directive 2006/42/EG as regards content and EN ISO 12100 (or EN ISO 14121 during the transition period) as regards risk assessment.

The order shall contain information on the languages to be used and the number of documents to be supplied. If nothing is governed in the order the documentation must be supplied in duplicate both in German and English.

11. Transfer of risk/Delivery/Transport documents/Packaging

11.1 For purchase contracts the risk is only assigned to us upon receipt of goods, in the case of service contracts only once acceptance has been confirmed.

11.2 Unless otherwise agreed in writing, delivery must be made "carriage paid" and packed properly. If we

must bear the costs of freight as per the terms of the contract, then the supplier must select the type of shipment specified by us, or else the type of shipment and delivery that is most reasonable for us. The supplier undertakes to agree to all deliveries/services in terms of execution and delivery details in good time. A delivery note is enclosed in the delivery with all order reference details. The deliveries are shipped at the supplier's risk. This shall also apply, if in exceptional circumstances, we are obliged to bear shipment costs. The supplier is obliged to take out transport insurance, regardless of whether it bears the shipment risk itself. The supplier shall bear the cost of transport insurance.

11.3 The supplier shall produce the shipment documentation with no costs involved according to our specifications in terms of the language to be used, form and layout (ready to despatch notification, notice of despatch, packing list, preferential origin documents, certificate of origin). Costs incurred as a result of non-compliance with the above provision may be deducted from the respective invoice amount.

11.4 Packaging is included in the price. Unless otherwise agreed by way of exception, packaging is charged at cost price. The supplier must select packaging specified by us and must pay heed to the fact that packaging protects the goods from becoming damaged. If the supplier has no guidelines on the type of packaging, then the supplier selects a type of packaging, paying heed to the fact that packaging protects the goods from becoming damaged. Seaworthy packaging adheres to the latest version of the HPE packaging guidelines.

Packaging materials must – as far as possible – be made from environmentally friendly material or be recyclable. If packaging lies within the supplier's scope of delivery and services as per the contract/order, this provision must be complied with and any packaging waste must be prevented.

The supplier shall bear all costs for returns, return transport, disposal and recycling of packaging.

12. Delivery dates and times/Contractual penalties

12.1 Agreed delivery dates and times are binding for the supplier and must be adhered to. Agreed delivery times run from the date of order. The receipt of delivery at the agreed place of reception is binding for the compliance of delivery times or dates.

The supplier is obliged to immediately notify us in writing if circumstances arise or become known to him which result in the agreed delivery time not being able to be met. When specifying the reason we must be informed of the anticipated delay period.

12.2 If the agreed delivery time or the agreed delivery time overruns we are entitled to demand a contractual penalty to the maximal amount of 0.15% of the total net price per working day of delay, to a maximal 5 % of the total net price. This shall not apply if the supplier is not to blame for the overrun. Further statutory claims (cancellation and compensation claims instead of payment in particular) remain reserved; the contractual penalty shall however be credited against claims for compensations. Contractual penalty claims may also be asserted without prior reservation right up until final payment. If delivery dates or times are deferred because the supplier is entitled to extend or if these are rearranged by both parties the existing contractual penalty clause shall apply to the new date without the need for a new special agreement in terms of the contractual penalty.

12.3 Clause 12.2 shall apply to service contracts accordingly provided that it comes down to the work's production that is ready for acceptance instead of delivery and to the agreed total net fee instead of total net price.

12.4 We are not obliged to accept before the end of the delivery date or delivery time. The supplier is only entitled to part deliveries or services with our prior written consent. Deliveries may be made by the supplier on working days and in fact only during our normal business delivery times. These are, unless otherwise agreed, from Monday to Friday between 6:00am – 9:00am; between 9:15am – 12:00pm and between 1:00pm and 3pm.

13. Pricing

The prices agreed in the order are net fixed prices according to the German sales tax act and are binding. Unless otherwise agreed in writing the price includes free delivery and packaging. Unless otherwise agreed the agreed price is a flat-rate fixed price which includes all costs necessary for providing the service, including customs, insurance and freight.

In the period between order and delivery should the supplier reduce its prices and/or improve conditions the prices and conditions which are valid on the day of delivery shall apply.

There is only an obligation to return supplied packaging if specifically agreed. The supplier is obliged, to take back packaging which does not meet the requirements of these General Terms and Conditions of Purchase, especially Clause 11.4, immediately upon request without separate payment.

14. Invoicing/Payment/Supplier claim/request/claim

14.1 Invoices must be submitted to us in duplicate separate from the delivery indicating the order number. Costs incurred as a result of non-compliance with the above provisions may be directly deducted from the respective invoice amount.

14.2 Unless otherwise agreed, payment is only made upon receipt of perfect goods or completely flawless service and upon receipt of the invoice with our choice of payment methods.

Unless otherwise agreed the following payment terms shall apply:

Goods received between the 1st and 15th of the month: payment on the 5th of the following month
Goods received between the 16th and the end of the month: payment on the 20th of the following month; less agreed discounts.

Delays which are caused by incorrect or incomplete invoices do not impact on the discount terms.

Instalments are only permissible and payable against provision of an indefinite absolute performance guarantee from a German bank or building society for the amount of 10% of the total net order value. If we are still not in possession of the supplier parts for which the instalment is for, the instalment is also

conditional upon a prepayment bond from a German bank or building society for the amount of the instalment required.

14.3 Supplier receivables may only be assigned to third parties with our consent. Payments shall only be made to the suppliers. The supplier may only assert set-off and rights of retention claims against us on the back of undisputed, accepted claims which have been determined as legally binding.

15. Checking for defects

The delivery shall be checked for correctness within a reasonable timeframe. The period allowed for checking and sending notice of defects (§377 Para. 1 HGB – German Commercial Code) for defects which are evident upon delivery is two weeks from when the goods were received at the place of reception. If a defect can only be established upon special examination or tests or it is a concealed defect, the period is two weeks from when the defect was discovered. If on an individual basis a longer period is reasonable, then this shall apply. If §§ 377, 378 HGB contain further obligations, in particular obligations pertaining to checking and notification of defects, these are excluded.

16. Spare parts

The supplier shall ensure that a delivery of spare parts is guaranteed for at least 15 years after delivery, pursuant to the agreed terms of delivery. Should during this time the production of spare parts be discontinued, notification of this will be sent, thus providing for future spare part requirements.

Furthermore in the event that the production of spare parts is discontinued, the supplier shall deliver the corresponding production drawings and parts lists with manufacturer specifications without any separate fee being charged.

17. Guarantee

17.1 The supplier shall provide the deliveries and/or services free from material and title defects.

In particular the supplier shall guarantee flawless design, the use of suitable and perfect materials, the performance of execution, the perfect function of the scope of delivery and/or services and the obtainment of technical performance data or compliance with the agreed technical features. In particular the supplier shall guarantee that deliveries and services correspond to the designs approved by us, all respective standards (DIN standards and EC standards), all safety regulations, the intended purpose specified in the order, standard engineering practice, the generally recognised technical and occupational health safety provisions of authorities and professional associations and all respective legal provisions. When supplying machinery, equipment or installations the supplier shall guarantee that these meet the requirements of the specific safety regulations which are valid when the contract is fulfilled, including health and safety and accident prevention regulations, and also that the delivery and service has a CE mark. In principle a quality agreement includes that the requirements of standards are maintained in relation to standards in the order.

17.2 We are entitled to defect claims in full.

The supplier is in particular obliged during the above period to immediately repair at no cost (remedy of defects) or to replace (replacement) and then reinstall those goods and/or services, which have been proven to be faulty or defective, as we choose, at our premises or free site of our customer (even abroad). The supplier must bear all costs incurred for supplementary performance, particularly transport costs and tolls, labour and material costs. The same also then applies if expenses are increased because a bought item or a supplied object has been forwarded onto our customer after delivery as per the terms of the contract. If a supplied item is installed in one of our products, the supplier must as part of remedy of defects or replacement reimburse the costs of dismantling the defective object and the reinstallation of a perfect object including all transport, travel and labour costs. If the supplier, despite a reasonable set timeframe, fails to fulfil its above obligation, we are entitled to acquire and install the necessary parts ourselves. Any costs incurred as a result (including freight, assembly and travel costs in particular) must be borne by the supplier as self-performance costs.

A reasonable timeframe does not need to be set if the supplier refuses or fails to carry out the repairs or if it is not reasonable to us e.g. due to risk of delay or special need for urgency.

The right to claim compensation, in particular the right to compensation instead of payment, remains expressly reserved. The supplier must also compensate for consequential damages due to defects and financial loss, especially production downtimes. Compensatable damages also include any ancillary costs incurred by any possible damage elimination such as assembly and disassembly costs, materials costs, travel and freight costs and damage and defect assessment-related costs, e.g. expert's fees.

The cost and risk for returning defective goods is borne by the supplier. If at the supplier's request we package the goods to be returned or else we take measures for the return, any liability for non-personal injury is excluded, unless there was deliberate intent or gross negligence on our part.

17.3 The period of limitation for defect claims is 36 months after delivery and acceptance, for deliveries including assembly, installation surveillance or other services following acceptance, unless another rule has been put in place. For repaired or replaced goods the warranty period respectively starts again. Written notice of defects from our company stops the period of limitation for 8 weeks from when the notice of defects is received, unless a further suspension of the period of limitation arises from statutory provisions.

17.4 If we provide the supplier with plans, drawings, equipment and/or aids, it is obliged to check these for completeness, correctness and their suitability for the intended purpose and to inform us immediately of any incompleteness and incorrectness of the documents supplied. If the supplier does not raise any objections, then it is also bound under the guarantee without restrictions in this respect.

The supplier shall assume, as its own contractual obligation, to undertake the necessary interim and final checks during production and to subject the parts supplied to an effective incoming inspection, if it obtains the supplied object or parts thereof from own suppliers.

18. Product liability and approval/Liability insurance cover

18.1 If the supplier is responsible for product damage because of domestic or foreign product liability provisions then it is obliged in this respect to release us from third party compensation claims upon first request, as far as the cause lies within its area of control and responsibility. As part of its liability for claims according to Para. (1) the supplier is also obliged to reimburse any expenses pursuant to §§ 683, 670 BGB (German civil code) or pursuant to §§ 830, 840, 426 BGB which are incurred as a result of or in conjunction with an information message or product call implemented by us. We shall inform the supplier about the content and extent of the recall measures to be undertaken and give it the opportunity to comment upon this. Other legal claims remain unaffected.

18.2 The supplier undertakes to maintain adequate cover for liability insurance for product damage or loss and for other statutory liability obligations. Our claims against the supplier are under no circumstances limited to those claims against the insurer nor are they based on these.

19. Minimum Wage

19.1 The supplier expressly agrees to comply with the requirements of the law governing the German Minimum Wage Act (§13 MiLoG).

19.2 The supplier shall be obliged to ensure that the subcontractor covenants to comply with the payment of the Minimum Wage and, when enlisting the services of further subcontractors, includes the identical obligation to comply with the payment of the Minimum Wage into the contract with the respective subcontractor.

20. Assignment of claims/commissioning of sub-contractors

20.1 The supplier's claims may not be assigned in whole or in part to third parties without our express written consent.

20.2 If the supplier, sub-contractor intends to commission one of our customers with the production of entire components and/or with the execution of work on a building site, the supplier must first notify us in writing before commissioning the sub-contractor and obtain our written consent; this may only be refused on important grounds.

21. Quality assurance/Accident prevention provisions

21.1 The supplier provides evidence of a quality assurance procedure corresponding to the latest engineering practice. The DIN standards shall apply as minimum standards, and where they exist, European standards, especially CEN and CENELEC.

21.2 Moreover the supplier shall observe all official provisions and rules and regulations, particularly the accident prevention provisions which are valid at the time of despatch under European Union law.

22. Trademark rights

The supplier shall guarantee that it is not in breach of third party rights, particularly copyright, patent and trademark rights or other commercial property rights in connection with its delivery.

If a third party claim is asserted against us in this respect then the supplier is obliged to release us from this claim upon first written request; we are not allowed to enter any kind of agreement relating to the breach of law with the third party – without the supplier's consent, especially drawing up a settlement.

The supplier's release obligation includes all costs which we essentially accrue as a result of or in connection with the third party claims, especially expenses which we incur to prevent or to remove breaches of the law, as well as any defence costs e.g. solicitor fees. The assertion of further claims, particular claims for compensation, remain unaffected by this.

The period of limitation is ten years, from the date the contract is concluded, unless there is a longer period of limitation arising from statutory provisions.

23. Force majeure

War, civil war, export restrictions or trade restrictions due to a change in political relations as well as strikes, lockout, shutdown, restricted operations and such events at the contractual place of reception or in Germany which make it impossible or unreasonable for us to fulfil the contract are considered force majeure and release us for the duration of their existence from the obligation to grant approval on time. The contractual partners are obliged to keep each other informed of the situation and to adapt their obligations to the altered circumstances in good faith.

24. Tools/confidentiality/order reference

24.1 We maintain ownership of the tools we provide for execution of the order; the supplier is obliged to only use the tools for producing goods ordered by us. The supplier is obliged to insure the tools belonging to us at replacement value at its own costs against fire, water damage and theft. At the same time the supplier shall as of now assign all compensation claims arising from this insurance; we hereby accept assignment. The supplier is obliged to carry out any necessary maintenance and inspection work as well as all service and repair work at its own cost in good time. It must inform us immediately of any faults; if it fails to do so then claims for compensation shall remain unaffected.

24.2 The supplier is obliged to maintain all illustrations, drawings, calculations and other documents and information received as strictly confidential, they must not be made accessible, directly or indirectly and even, aside from fulfilling contractual obligations, must not be used in any other way.

They may only be disclosed to third parties with our express consent.

The confidentiality obligation shall apply after expiry of this contract too; it expires when and if the production knowledge in the supplied illustrations, drawings, calculations and other documents becomes general knowledge.

24.3 The supplier shall not use without our prior written consent the name "Vecoplan" nor illustrations of our systems or system components in any kind of form (particularly as part of advertising measures,

references, written articles in brochures or trade magazines or web presence and so on).

25. Data protection

The supplier is obliged, where personal data and similar data is collected, processed or used, to process this data in accordance with the German Data Protection Act (BDSG) and additional statutory provisions, above all in doing so, to only use employees which have been properly trained and are bound under § 5 BDSG. Within the framework of the BDSG we are allowed to save data for goods and payment transactions by the supplier, including personal and similar data, in the permissible scope.

26. Special provisions for service contracts and construction and engineering services

26.1 The price laid down in the order is a flat-rate fixed price, with which all services, which are necessary for providing services and achieving work success, are compensated.

26.2 For construction or engineering services the supplier may only invoice for actual time expenditure in line with the hourly rate of pay, if this was expressly agreed. In this case the supplier must obtain the outcome of our decision before overrunning the time expenditure specified in the order or order confirmation.

26.3 Before concluding the contract the supplier has conjured up an extensive image of its scope of service and delivery. It has totally worked out all costs and measures required to execute its contractual services. The flat-rate fixed price is based upon these.

Any approval for plans or other agreements from our company apply solely as endorsements and do not release the supplier from its obligation to perform its service properly and in full.

26.4 The acceptance is conditional upon the fact that the contractor has completed its entire service in full. It is obliged, thereafter to apply for formal acceptance, for which a report must be made and signed by both parties. Acceptance of partial services or other partial acceptances are excluded, unless otherwise agreed in writing. Even if there was such a different agreement

the partial acceptances shall not replace the final acceptance. Any fictitious acceptance shall be excluded.

26.5 The supplier is only entitled with our prior written consent to commission subcontractors with the entirety or part of the contractual service. We shall only refuse this consent on important grounds. The commissioning of sub-contractors shall not release the contractor from its contractual obligation to us. The supplier is responsible for the sub-contractors it has commissioned, which are its auxiliary agents.

26.6 If access to our works premises or the premises of our customer is necessary to provide the work delivery the supplier shall observe all existing accident prevent provisions and the additional instructions of our company or our customer's responsible staff.

26.7 The supplier grants us, as far as legally permissible, an extensive, unlimited right of use and exploitation in respect of the supplied object. We have in particular the right to use, continue, change and publish the services provided by the suppliers without their involvement, and to transfer these rights collectively and individually to a third party. This shall also apply when this contract ends prematurely. The above regulations shall also apply, if the suppliers are entitled to copyright or other commercial property rights on the supplied object.

If in relation to the order, documents or know-how provided by us can be improved, then we are entitled to a free-of-charge, non-exclusive right of use for commercial exploitation thereof. The supplier shall grant us with an unlimited and free-of-charge use of right for the object it supplies or the work it produces; this shall also apply after the contract has ended.

27. Place of jurisdiction/Place of execution/Applicable law

27.1 For suppliers that are business merchants, legal entities under private law or public law or special funds under public law, sole place of jurisdiction is the competent court for Bad Marienberg. We are however entitled to take action against the supplier at the court where its registered office is located or another competent court.

27.2 Unless otherwise specified in the order, our registered office is the place of execution for all obligations arising from the order.

27.3 All legal relations between the suppliers and us shall be governed by the substantive law of the Federal Republic of Germany excluding the combination and conflict of law provisions of International Private Law and all standards and provisions which refer to another legal system; the validity of the UN Convention on Contracts for the International Sale of Goods is excluded.

28. Final provision

Should individual provisions of these General Terms and Conditions of Purchase be ineffective or unenforceable, the remaining provisions shall nonetheless remain valid. The ineffective or unenforceable provision shall be replaced with an appropriate provision, the economic success of which – as far as legally possible - comes closest to the original economic intent of the parties.

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Updated June 2015