

General Purchasing Conditions of Hüttenhölscher Maschinenbau GmbH & Co. KG ^{*)}

I. Area of Validity

- 1.) Our orders are made exclusively, as indicated in these General Terms and Conditions of Purchase, in its current valid version. These purchasing conditions apply to all present and future orders with the supplier, even where no specific reference is made by us to the applicability of these General Terms and Conditions of Purchase.
- 2.) Differing or conflicting terms and conditions of the supplier shall not apply, even if we do not expressly reject them. Our general purchasing terms and conditions apply also if we accept the supplier's delivery without any reservations, even if we are aware of conflicting or deviating supplier's terms and conditions.
- 3.) These Purchase Conditions shall apply only to companies (Section 310 of the German Civil Code (BGB))

II. Orders, Materialization of Contracts

- 1.) Our orders and purchase offers are only considered binding if made in writing, by fax or e-mail or confirmed in writing. We will comply with these orders 1 (one) week from date of the offer, unless otherwise stated in the offer. The acceptance of the supplier is considered in time, if presented to us within this period, in writing, by fax or e-mail. In the case of a deviation of the order confirmation with the contract, a fulfilment of the contract will only take place if we agree to the deviation in writing, by fax or e-mail. Amendments to the contract content, especially to the object of agreement after the conclusion of the contract, should for purpose of proof be made in writing.
- 2.) Designs, calculations, models and similar, which belong to the suppliers, are, unless otherwise expressly agreed in writing, free of costs and without any commitment for us.

III. Prices, Payment Terms, Offsetting and Right of Retention

- 1.) Unless otherwise stated, the prices stated in our order are in EURO. These are fixed prices, which include delivery free house, including packaging, shipping and insurance. In the case of imported goods, all duties, taxes and other import costs are included.

- 2.) Invoices and delivery notes must indicate the order number specified in the order. Goods without a delivery note showing an order number will not be accepted.
- 3.) Unless otherwise agreed in writing, our payment will be made within 14 days of delivery and receipt of the invoice, subject to a 3% cash discount or net within 30 days after receipt of invoice. Payment without reservation does not constitute acceptance of the defects.
- 4.) Insofar as an advance payment was agreed on our part, the supplier shall at his own cost and our request issue an absolute, unlimited and irrevocable guarantee of a major bank or insurance company based in the Federal Republic of Germany, which is regulated by the German Insurance Supervisory Authority. The security must waive the right to object to the financial limitation of liability and the contestability.
- 5.) We are entitled to offset rights and right of lien to the fullest extent allowed by law.
- 6.) The supplier can only transfer existing claims against us with our prior written consent. We shall grant our approval, provided that the assignee releases us from all claims should a mistaken payment to the supplier be apparent when disclosing the assignment.

IV. Properties of the Goods

- 1.) The delivered goods shall comply with our demands, as evident from the order, any supplied drawings, plans or similar, and shall be fit for the designated purpose and shall be compliant to the latest state of the art. Legal and statutory regulations, in particular regarding the goods provided must be observed.
- 2.) Before accepting the order, the supplier shall examine the documents supplied to him, e.g. a text description of the goods or drawings, and ensure that they are free of recognizable errors, ambiguities and contradictions. In case of reservation, the supplier shall inform us immediately in writing. After the contract has come into force, modifications of the goods in the construction or composition and design are only permissible with our expressed written permission.
- 3.) When ordering the goods, the supplier shall observe all measures necessary for both environmental protection and accident prevention and take the official and statutory requirements into consideration.
- 4.) Should the ordered goods be subject to standards or regulations, such as ISO, IEC, EN, DIN, VDE, the supplier shall comply with said standard during the manufacture and/or delivery of the goods.
- 5.) Unless otherwise agreed in writing, the supplier shall - if customary or required - provide all maintenance and circuit diagrams as well as manuals and cleaning instructions and spare parts lists. Furthermore, the supplier shall provide two copies of the entire documentation, the manufacturer's declaration and if applicable the CE declaration in written form and one copy in PDF form. The documents are included in the agreed price.
- 6.) Spare parts as per spare parts lists shall be available from the supplier for a period of ten (10) years.

V. Quality Assurance

- 1.) The supplier shall assure through a quality control system suited to the purpose, that the goods provided by him are of the highest quality.
- 2.) The quality of the raw materials, the manufacturing process and the completed goods shall be continuously monitored by the supplier; the results shall be documented, the documentation shall be archived in a manner that allows for its direct assignment to any goods supplied. At our request, a copy of the documentation for the supplied goods shall be provided.
- 3.) We or an appointed representative shall, during normal business hours, be authorized to view the processes and quality control measures at the supplier's sites of business.

VI. Delivery, Delivery Schedule

- 1.) The delivery times stated in our ordering documentation (schedules or deadlines) are binding.
- 2.) Our supplier is obligated to notify us in writing, by fax or e-mail without delay if circumstances arise or become evident, in which the delivery period cannot be complied with.
- 3.) The supplier shall be entitled to make part deliveries, and the resulting costs shall be borne by the supplier.
- 4.) The risk is transferred to us, even when shipment is agreed, only when the goods have been transferred at the agreed delivery destination. If installation or commission is included as part of the scope of delivery, the supplier's obligation is only fulfilled after completion.
- 5.) We are entitled to statutory claims in the event of delayed delivery. Irrespective of further legal measures, we shall be entitled to claim compensation for delayed delivery at 0.1 % of the goods delivery value per day and up to a total of 5% of the contract value of the deliveries or service. The supplier has to prove that no damage was caused to us or that said damage was a significantly lower amount.
- 6.) Unless otherwise agreed in writing, the supplier has to take back the packaging, particularly the transport packaging at their own cost. Reusable packaging, such as pallets or boxes of the same type and quality will be returned, if agreed.

VII. Inspection of Goods, Warranty for Defects

- 1.) We inspect incoming goods within a reasonable time period to determine any deviations in quality and quantity, whereby our commercial obligation to closely inspect the goods received and the accompanying documentation to be provided by the supplier is assured.

- 2.) Sample testing of the goods is generally sufficient. Should a sample test prove to be deficient, we are authorized to return the entire shipment.
- 3.) By accepting or approving of samples presented to us, we do not waive claims under guarantee.
- 4.) Any notification of defect will be valid if it is sent to the supplier within a period of five (5) working days from the date of receipt of the supplies and, in the case of hidden defects, from the date of their discovery.
- 5.) We are entitled to the statute of limitations for claims due to material or legal defects without restriction.
- 6.) If the supplier fails to perform their obligation to effect supplementary performance after notification of defects within a reasonable period, we are entitled to rectify or arrange to rectify the defect straight away at the supplier's expense.
The guarantee period begins anew for replacement parts and remedy of defects unless, based on the behaviour of the supplier, we have to assume that the supplier did not see the measure as a necessity, but instead conducted such solely for reasons of maintaining goodwill or similar reasons.
- 7.) The limitation period of warranty claims is thirty-six (36) months after delivery.

VIII. Third-Party Proprietary Rights

- 1.) The supplier is liable to ensure that the goods that he supplies or forwards, or their processing or use by us for their foreseeable intended usage, does not infringe copyrights of third parties, in particular with prototypes, patents, or licenses.
- 2.) Should claims be made by third parties against rights infringement, the supplier shall exempt us and our customers from the first compensation claims request of a third party and shall bear all the costs, to which we are subjected in this matter.
- 3.) For prior conflicting right of a third party, the supplier shall at his own cost obtain a permit for us to continue the forwarding, use, processing and continued delivery of the items concerned.
- 4.) The period of limitation for the above claims shall be 10 years from the commencement of the limitation period.

IX. Product Liability

- 1.) Should we be subject to a claim on the basis of German product liability legislation, product liability legislation of an EU state or a third country because of product liability, the supplier is obligated to release us from third-party claims in this regard, should the cause for damages be in their areas of responsibility. The same shall apply if claims for compensation of an injured party have been settled and the third party makes redress claims. The

supplier shall indemnify us against all costs, including charges for product recalls and fees arising from litigation. In cases of liability with fault, however, this applies only when the supplier is at fault.

2.) Should claims as previously listed be asserted against us, we will immediately notify the supplier and provide him with the relevant documentation. The supplier shall state within ten (10) days of receipt of this documentation, whether we should acknowledge or reject such claims raised against us.

3.) The supplier is obliged to take out a product liability and recall campaign cost liability insurance with coverage of at least Euro five (5) million per case and retain the insurance cover after fulfilment of all mutual obligations of the contract for the duration of ten (10) years, after the processed goods have been introduced onto the market. Proof of the insurance protection shall be produced on demand.

X. Liability

1.) The liability of the supplier is unlimited under law.

2.) Notwithstanding any further-reaching claims in the event of faulty/deficient delivery by the supplier, the supplier is obliged when the delivered goods are subject to complaint by public authorities, due to a manufacturing defect or other circumstance, for which the supplier is responsible, that have resulted due to sampling and analysis by public authorities, to bear the full costs including the costs of a recall action. Furthermore, in these cases, the supplier is liable for reimbursement of legal costs and costs of legal proceedings.

XI. Reservation of Ownership, Provision of Materials, Tools

1.) Should we provide items, we retain the right of ownership. The processing or transforming of the provided items by the supplier shall always be done on our behalf. If the goods are processed using other objects, which are not our property, we acquire the joint ownership of the new object at a ratio of the value of the goods to the other processed objects at the time of processing.

2.) In case of culpable damage or the destruction of provided items in the supplier's area of responsibility, the supplier shall be responsible for repair or replacement of the item concerned.

3.) We reserve the right to retain ownership of the tools that we have supplied or paid for. The supplier is obliged to use the tools exclusively for the manufacture of the products that we have ordered and to treat the tools with due care and diligence as a prudent businessman and shall insure them at replacement value against fire, water, burglary and other usual risks. The supplier shall now assign all damage claims from this assignment to us; we hereby accept the assignment. The necessary maintenance and inspection work as well as all repair and maintenance costs are to be done by the supplier in due time and at his expense. The supplier shall inform us immediately concerning any malfunctions.

4.) Reservations of title by the supplier only apply insofar as they apply for the payment obligations for the respective goods with regard to retaining his right of property. We do not accept any expanded or extended reservations of ownership.

XII. Confidentiality

- 1.) The supplier is obliged to treat all information, expertise and other business secrets, as well as information we have obtained legally through third parties and information that it has learnt from or about us in strict confidentiality, unless generally known. We reserve the rights to all supplied information.
- 2.) The supplier shall only use the information provided for the purpose of fulfilling the contractual relationship. It is the responsibility of the supplier to treat illustrations, drawings, calculations and other documents supplied for the purpose of executing the order as strictly confidential. After the contract has been completed, these documents shall be returned completely and without request unless otherwise required by the supplier for fulfilment of his contractual obligations. Goods manufactured using confidential information supplied by us may only be used for the contractually specified purpose. In particular, these goods shall not be offered or delivered to third parties.
- 3.) The supplier shall impose the same obligation on all employees and sub-suppliers.

XIII. Final Provisions

- 1.) The German substantive law excluding the United Nations Convention on Contracts for the International Sale of Goods shall be exclusively applicable to the legal relationship in connection with the supplier.
- 2.) Place of performance for obligations in accordance with this contract is our company headquarters.
- 3.) The place of jurisdiction is Verl. However, we are entitled to bring legal action against the supplier at any registered place of jurisdiction.
- 4.) If a provision of these general purchasing conditions is or becomes partly or completely invalid, the remaining provisions of this conditions shall not be affected by the invalidity of such provision.

*) This translation of the original German document is provided for your convenience.

In the event of any conflict or contradiction between the German language version of this contract and the English language translation, only the German language version shall be legally valid.