

GENERAL CONDITIONS OF PURCHASE OF WUPPERMANN GROUP

(Version: September 2014)

I. Applicability

1. These general conditions of purchase apply to all – including future – business relationships of companies within the Wuppermann Group (“Buyer”) with business ventures (“*Unternehmer*”), corporate bodies under public law and special public assets (“Vendor”).
2. Differing or additional conditions of business of the Vendor shall only become a part of the contract when and insofar as the Buyer has expressly agreed to their applicability.

II. Issuing of an order and fulfilment of the contract

1. The submission of an offer is free of charge and non-binding for the Buyer. The Vendor’s offers shall be binding for the Vendor for at least ten (10) working days and can be accepted by the Buyer at any time during this period.
2. The orders made by the Buyer can be cancelled free of charge up to the point that the order confirmation is received or, failing an order confirmation, up to the point of delivery. The Vendor is obliged to confirm the order within a deadline of 3 working days via a written order confirmation or by delivery. A late order confirmation with a differing time of delivery is considered as being a new order and requires confirmation by the Buyer.
3. All obligations arising from this contract are to be fulfilled by the Vendor himself. The involvement of subcontractors is only permissible with the prior express consent of the Buyer.
4. The registered office of the Buyer is the place of fulfilment for all obligations arising from this contractual relationship.

III. Prices

1. The agreed prices are fixed prices. All prices are exclusive of VAT, but inclusive of packaging, insurance, shipping and other additional costs.
2. If in an individual case the Buyer assumes the cost of shipping or packaging, these items are to be charged for at the lowest possible rate, unless the Buyer has specified a special type of shipping or packaging.

IV. Payment

1. Provided nothing else has been agreed, the Buyer can choose to make payments either within 14 days after receipt of the invoice and delivery with a 3% prompt payment discount, or within 30 days after receipt of the invoice and delivery without discount. With contracts for work and labour (“*Dienst- und Werkvertrag*”) the date of acceptance shall apply instead of the date of delivery. If documentation, test certificates (e.g. inspection certificates) or similar documents are part of the service, the payment term shall not begin until their presentation to the Buyer. Should the Buyer accept early deliveries or services, the due date shall be determined by the agreed delivery date or date of service.
2. Payments shall take place by means of cheque or bank transfer. The payment is considered punctual when the cheque is sent by post on the due date or when the transfer is agreed with the bank on the due date.
3. The late payment interest rate is 5%. The Vendor reserves the right to assert proven higher damages caused by the delay. The Buyer reserves the right to prove that the damage occurred to the Vendor was of a lesser degree.
4. The Vendor is authorised to exercise a right of retention (“*Zurückbehaltungsrecht*”) only insofar as his counterclaim is based upon an undisputed or legally determined claim. He may offset (“*aufrechnen*”) solely against undisputed or legally determined counterclaims.

V. Delivery times / late delivery

1. Provided nothing else has been expressly agreed, the delivery times and deadlines given by the Buyer are binding. The Vendor must inform the Buyer without delay when circumstances are identified which might cause a delay of the delivery.
2. Relevant for the adherence to delivery dates or delivery deadlines is the receipt of the goods at the place of reception specified by

the Buyer; for deliveries including setting up, assembly or other services, the acceptance (“*Abnahme*”) is relevant.

3. The Vendor can only refer to the absence of necessary documents or other information which must be provided by the Buyer if those have not been sent despite a written reminder.

VI. Retention of title

1. If the Vendor has expressly reserved the proprietary rights to the delivery item, the title to the delivery item shall pass to the Buyer upon payment for this object. A declaration of extended reservation of proprietary rights (“*erweiterter Eigentumsvorbehalt*”) by the Vendor (current account retention) is ineffective.

VII. Performance of the delivery and passing of risks

1. All deliveries by the Vendor shall take place DDP agreed place of delivery (Incoterms 2010).
2. The Vendor shall bear the risk of the accidental destruction and the accidental deterioration of the object sold, also with “carriage paid” and “carriage free” deliveries, until the acceptance of the goods at the place of destination.
3. Part-deliveries require the consent of the Buyer. If only a part-delivery is made without the consent of the Buyer, the Buyer is entitled to withdraw from the entire contract if the Buyer has no interest in the part-delivery.
4. Excess or short deliveries are only permitted in accordance with usual commercial conditions. The right to recognise or reject them remains reserved. If the Buyer does not recognise a short delivery, the Buyer is entitled to withdraw from the entire contract if the Buyer has no interest in the short delivery.

VIII. Declaration of origin

1. The Vendor is obligated upon the demand of the Buyer to issue a supplier’s declaration on the delivery item and to present this to the Buyer. Furthermore, the Vendor will allow the inspection of the proofs of origin by the customs service and issue the necessary information as well as provide any possible confirmation required.
2. The Vendor is obligated to compensate for damage which occurs due to the failure to recognise the declared origin by the authorities responsible, owing to incorrect certification or the impossibility to verify.

IX. Liability for defects

1. The Vendor must supply the goods to the Buyer free of material defects and defects of title. In particular he has to warrant (“*gewährleisten*”) that his deliveries and services correspond to the recognised codes of practice and the contractually agreed features, as well as the standards (regulations on safety, work safety, accident prevention, etc.) applicable in Germany or (if it has been communicated to the Vendor) in the destination country of the final product. The strict adherence to the agreed specifications, applicable standards and laws as well as recognised technical practices is one of the essential obligations of the Vendor under this contract.
2. The Buyer’s duty to inspect incoming goods is limited to defects which are apparently evident on external assessment including those specified in the delivery papers (e.g. transportation damage, incorrect and short deliveries). If the Vendor has its place of central administration in Germany, notification of defects is considered to have been made on time when they are received by the Vendor within five (5) working days after receipt of the goods or, insofar as such a defect becomes apparent at a later date, within five (5) working days after the Buyer becomes aware of the defect. If the Vendor has its place of central administration outside of Germany, any defects are in any case deemed reported in good time if the Buyer notifies the Vendor within four (4) weeks after the Buyer discovered any defects or ought to have discovered said defects.
3. In case of defects, the Vendor must carry out remedial action by either eliminating the defect or delivering a defect-free object, as chosen by the Buyer. If the remedial action chosen by the Buyer is not possible, the Vendor is entitled to another form of remedial action insofar as this is reasonable for the Buyer. If no remedial

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action is possible, the Vendor refuses to execute the remedial action, no attempts to carry out remedial action are made despite a reasonable deadline being set, or the remedial action fails, the Buyer is entitled to withdraw from the contract at any time within the limitation period stipulated in clause IX.6 below. The period referred to in Article 49 para. 2 of the CIGS Convention on Contracts for the International Sale of Goods (where applicable) shall not end before the expiration of the limitation period set out in IX.6.

4. The Buyer manufactures products, which in turn are incorporated into products by customers of the Buyer. If defective goods of the Vendor are used in the manufacturing of products of the Buyer and these defective goods lead to defects in said products, the Buyer may be liable to its end customers due to consequential damages, such as production losses, production of defective products, product recalls, property damage and personal injury. The Vendor is obliged to cover its liability risk through an insurance policy and provide the Buyer with evidence of the cover on request.
5. The Vendor hereby transfers – on account of fulfilment (*“erfüllungshalber”*) – all present and future rights to the Buyer to which he is entitled against his upstream supplier caused by and in relation to the delivery of defective goods or such goods which lack the agreed qualities. The Vendor shall surrender all necessary documents for the assertion of such rights to the Buyer. The Buyer shall accept the transfer.
6. Deviating from Section 438 para. 1 no. 3 and Section 634a para. 1 no. 1 of the German Civil Code (BGB), the general limitation period for claims arising from material defects or defects in title is three (3) years from delivery or, if acceptance is agreed, from acceptance. Longer statutory limitation periods shall remain unaffected. The preclusion period referred to in Article 39 para. 2 of the CIGS Convention on Contracts for the International Sale of Goods (where applicable) shall not end before the expiration of the limitation period set out in this clause IX.6.

X. Jurisdiction and applicable law

1. Place of jurisdiction is Cologne/Germany. In addition, the Buyer has the right to sue the Vendor in the place of jurisdiction of the Vendor's registered office.
2. This Agreement shall be governed by German law and, to the extent applicable, the United Nations Convention on the International Sale of Goods.