

**General Purchasing and Ordering Terms and Conditions of the Companies of
the Schürholz Group (Schürholz GmbH & Co. KG)**

Table of Contents

1. Sphere of Applicability	2
2. General Provisions	2
3. Order.....	2
4. Long-Term and Call-Off Contracts, Price Adjustment	2
5. Confidentiality	2
6. Sketches and Specifications.....	3
7. Samples and Production Resources	3
8. Prices.....	3
9. Certificates of Origin, VAT Documentation and Export Restrictions	3
10. Payment Conditions, Assignment of Payment Claims	3
11. Delivery and Transfer of Risk	4
12. Work Activities at Our Company.....	4
13. Delivery Delays.....	4
14. Material Defects.....	4
15. Legal Defects.....	5
16. Miscellaneous Claims, Partner's Liability	5
17. Our Liability.....	5
18. Force Majeure	5
19. Place of Performance, Legal Venue and Applicable Law	6

General Purchasing and Ordering Terms and Conditions of the Companies of the Schürholz Group (Schürholz GmbH & Co. KG)

1. Sphere of Applicability

- (1) These Purchasing and Ordering Terms and Conditions shall be valid in dealings with companies, juridical persons under public law and special foundations under public law (hereafter, "Partner")
- (2) These Purchasing and Ordering Terms and Conditions shall be valid for each (Supply) Framework Contract and all individual contracts and/or orders in accordance with a contract with the Partner. The Partner's Business Terms and Conditions shall have no validity unless we have expressly recognized them.
- (3) The Purchasing and Ordering Terms and Conditions shall also be valid for all future orders and contractual relationships between the Partner and us.

2. General Provisions

- (1) The contractual partners shall promptly confirm oral agreements individually in writing.
- (2) If individual sections of these Purchasing Terms and Conditions should be or become invalid, this shall not restrict the validity of the provisions as a whole.
- (3) We shall be entitled to make termination without notice of the contractual agreement if an important reason exists to do so. An important reason shall particularly then be considered to exist if, after the conclusion of the contractual agreement, it becomes recognizable that our delivery claims substantiated in accordance with the contractual agreement have been put at risk through the Partner's unsatisfactory ability to render performance and the Partner, despite a demand having been made in this regard, has not made a credible assurance of its ability to render performance within an appropriate timeframe. The statutory termination and rescission rights and the rights in accordance with Clause 29 shall remain unaffected.

3. Order

- (1) If the Partner does not accept our order within one week after its receipt, then we shall be entitled to cancel it.
- (2) Call-off deliveries shall become binding by no later than when the Partner has not lodged an objection to them within three working days after their receipt.
- (3) Insofar as this is reasonable for the Partner, we may demand modifications to the delivery goods. In this regard, the ramifications—particularly with regards to additional and reduced costs as well as the delivery timeframes—must be appropriately regulated by mutual agreement.

4. Long-Term and Call-Off Contracts, Price Adjustment

- (1) Contracts of an indeterminate duration and contracts with a contractual term of more than 12 months may be terminated by providing three months' notice with the termination to become effective at the end of the respective month.
- (2) If, with regards to long-term contracts (contracts with a contractual term of more than 36 months and contracts of an indeterminate duration), there is an essential change in labor, materials or energy costs, then each contractual partner shall be entitled to demand negotiations regarding an appropriate adjustment of the price subject to the consideration of these factors.

5. Confidentiality

- (1) Each contractual partner shall maintain confidentiality regarding all documents (this also includes samples, models and data) and know-how which it receives from the business relationship, use them only for the jointly-pursued purposes and exercise the same due care as it would for its corresponding own documents and know-how in dealings with third parties if the other contractual partner has designated them as being confidential or has an obvious interest in their confidentiality. This obligation shall only then begin to run upon the initial receipt of the documents or know-how and shall end 36 months after the business relationship ends.
- (2) The obligation shall not be valid for documents and know-how which are generally known or which, upon receipt, were already known to the contractual partner without his having been subjected to a confidentiality obligation or which are subsequently disclosed by a third party entitled to make dissemination or which have been developed by the receiving contractual partner without utilizing the documents or know-how of the other contractual partner which must be kept confidential.

General Purchasing and Ordering Terms and Conditions of the Companies of the Schürholz Group (Schürholz GmbH & Co. KG)

(3) All contacts that are required for the implementation of the delivery and service scopes must be initiated exclusively directly with the contractual partner. Contacts with the end customer with regards to the delivery and service scopes of the contractual partner shall be forbidden. The supplier shall be obliged to notify the customer of any intended direct contacts and to have them approved in writing. In this case, the supplier must provide the customer with a copy of the written correspondence and/or the notes from telephone calls or meeting reports without this having to be requested.

6. Sketches and Specifications

(1) Any sketches and specifications which we provide to the Partner shall remain our inalienable material and intellectual property which must be returned upon the completion of the order without this having to be requested. The ownership to sketches and specifications created based upon our data shall be transferred to us after payment in full has been made for them if no earlier point in time has been agreed.

7. Samples and Production Resources

(1) We shall only then reimburse the manufacturing costs for samples and production resources (tools, designs, templates, etc.) if this has been expressly agreed in writing. In this case, they shall be billed separately from the goods to be delivered. The ownership to the samples and production resources, whose manufacturing costs we reimburse, shall be transferred to us upon payment in full if no earlier point in time has been agreed. The aforementioned provisions shall also be valid for production resources which must be replaced as the result of wear-and-tear.

(2) The costs for the maintenance and proper storage as well as the risk of the damage or destruction of the production resources shall be assumed by the Partner.

(3) The Partner shall store the production resources upon a free-of-charge basis for three years after the last delivery to us. Thereafter, it shall submit a request to us in writing that we submit a response within six weeks regarding their continued usage in the future. The storage obligation shall end if no response is submitted or no new order is made within these six weeks. Production resources, which we have provided or whose costs we have reimbursed, may be used by the Partner for deliveries to third parties only with our prior written approval.

(4) The aforementioned objects may, without our written approval, neither be scrapped nor made available to third parties nor used for other purposes than the contractually-agreed purposes. They must be carefully stored by the contractual partner.

(5) We shall assume the costs for any replacement of the production resources that is required as the result of wear-and-tear.

(6) The processing, the modification or the installation of the production resources, which we have provided to the Partner, shall be done for us. If this results in an inseparable mixing of our goods with the goods of the Partner or of a third party, we shall become a co-owner to the newly-created goods based upon the proportional value of our goods to the new goods. If the processing, the modification or the installation is done in such a manner that our goods must be regarded as being essential components of the Partner's main goods, we shall acquire co-ownership to the main goods based upon the proportional value of our goods to the new goods. In both cases, the Partner shall safeguard the co-ownership stake for us.

8. Prices

(1) Insofar as nothing to the contrary has been agreed, the prices shall be understood to be free receiving center in EUR excluding taxes—particularly VAT, customs duties and other levies, packaging, freight, toll, postal and insurance costs.

9. Certificates of Origin, VAT Documentation and Export Restrictions

(1) Any certificates of origin that we request shall be promptly provided by the Partner whereby they shall contain all required data and be properly signed. Without this having to be requested, the Partner shall promptly notify us in writing if the data on the certificates of origin are no longer accurate for the delivered goods.

(2) The same shall be valid for VAT documentation for deliveries abroad and within the European Union.

(3) The Partner shall promptly notify us if a delivery is, in whole or in part, subject to exporting restrictions in accordance with German law or any other law.

General Purchasing and Ordering Terms and Conditions of the Companies of the Schürholz Group (Schürholz GmbH & Co. KG)

10. Payment Conditions, Assignment of Payment Claims

(1) Insofar as nothing to the contrary has been agreed, we shall, subject to the provision in Clause 27, render payment up to 14 days after delivery and receipt of a proper invoice with a three percent discount or within 30 days net. The respectively later point in time shall be prevailing for the beginning of the payment timeframe.

(2) Even if we accept an early delivery, the payment due date shall nonetheless be based upon the agreed delivery date.

(3) In the case of a flawed delivery or a delayed delivery, we shall be entitled to withhold the proportional value of the payment until proper fulfilment has been made.

(4) Without our written consent which may not be unreasonably withheld, the Partner shall not be entitled to assign its payment claims against us or have them collected by third parties. In the case of an extended reservation of ownership, the consent shall be considered to have been granted. If the Partner assigns its payment claim to a third party without our consent in violation of Clause 1, then the assignment shall nonetheless be valid. However, as we so choose, we may render payment either to the Partner or the third party with a debt-discharging effect.

(5) If, in accordance with an individual contract, we are obliged to make advance payment, then we may refuse to render our payment and set an appropriate notice period for the Partner in which it must concurrently make delivery or provide security against the payment if, after the conclusion of the contractual agreement, it becomes recognizable that our delivery claim has been put at risk as the result of the Partner's insufficient ability to render performance. The Partner's insufficient ability to render performance shall be presumed if the Partner's creditworthiness has been assessed by Euler Hermes Forderungsmanagement Deutschland [**Claim Management Germany**] GmbH with "High Risk" (rating level 7) or worse. In the case that the Partner refuses to do this or the notice period lapses fruitlessly, we shall be entitled to withdraw from the individual contract and demand damage compensation.

11. Delivery and Transfer of Risk

(1) Insofar as nothing to the contrary has been agreed, the Partner shall deliver "free domicile". In this regard, the risk shall be transferred to us when the Partner has placed the goods in our warehouse.

(2) The delivery timeframe shall begin to run upon the conclusion of the contractual agreement and shall be appropriately extended if the requirements for force majeure have been fulfilled.

(3) Partial deliveries shall be permitted in a reasonable scope. They shall be separately billed.

12. Work Activities at Our Company

(1) Persons, who work within our company's premises in order to fulfil the Partner's obligations, shall be subject to the provisions of our company work rules and policies with regards to the accident prevention, workplace safety, environmental and other guidelines which are applicable at our company. Hazardous substances may be used within our company's premises only after consultation with our specialized personnel and must be properly labelled.

13. Delivery Delays

(1) If the Partner can foresee that the goods cannot be delivered within the delivery timeframe, then the Partner shall promptly notify us in writing, state the reasons for this as well as, insofar as this is possible, state the anticipated delivery time. Our claims due to the Partner's delivery delay shall remain unaffected.

(2) In the case of a delivery delay, we shall be entitled to demand a contractual penalty in the amount of 0.2 % of the net order value per working day, but nonetheless at most 5 % of the net order value. We shall be entitled to reserve our right to assert the contractual penalty until we have made payment for the affected goods. Any other claims due to a delivery delay shall remain unaffected. The Partner's damage compensation obligation shall extend to any lump-sum damage compensation amounts and contractual penalties which we owe our own customers as the result of the supplier's delayed delivery insofar as we have notified the Partner of the lump-sum damage compensation amount or the contractual penalty agreed with the customer.

14. Material Defects

(1) The goods must fulfil the agreed specifications and that which must be required based upon the disclosed usage purpose, but nonetheless at minimum the mandatory statutory requirements and the state-of-the-art technology standards. Prevailing for the contractual condition of the goods shall be the point in time when risk is transferred. Upon receipt, we shall promptly inspect the goods for obvious and visible quantity and identity deviations and

General Purchasing and Ordering Terms and Conditions of the Companies of the Schürholz Group (Schürholz GmbH & Co. KG)

transport damage. In the case of a notification of defects, the Partner must assume the costs for the inspection and the replacement delivery. For each type of defect, the notification of defects timeframe shall be eight working days after discovery of the defect whereby the sending of the notification within the timeframe shall suffice. In this regard, the Partner waives the defense of a belated notification of defects. For the measurements, weights and unit figures for a delivery, the values determined during our incoming goods control shall be binding.

(2) With regards to its deliveries, the Partner shall follow the respectively valid statutory guidelines of the European Union and the Federal Republic of Germany, e.g. the REACH Guidelines (Guideline EC No. 1907/2006), the Elektro- und Elektronikgerätegesetz [**German Electrical and Electronic Devices Act**] (ElektroG) as well as the Elektro- und Elektronikgeräte-Stoff-Verordnung [**German Electrical and Electronic Device Materials Act**] (ElektroStoffV) as national implementations of Guidelines 2002/95/EC (RoHS [**Restriction of Hazardous Substances Act**] I) and 2011/65/EU (RoHS II) and Guideline 2002/96/EC (WEEE) and the Altfahrzeug-Verordnung [**German End-of-Life Vehicle Guidelines**] (AltfahrzeugV) as the national implementation of EU Guideline 2000/53/EC. The Partner shall promptly notify us of relevant modifications of the goods caused by statutory directives—particularly through the REACH Guidelines—as well as changes to their deliverability, usage options or quality and, in the individual case, reach agreement with us on suitable measures. The same shall be valid as soon as and insofar as the Partner recognizes that such changes will be made.

(3) Claims for material defects shall become statute-barred within 36 months after delivery. This shall not be valid insofar as the law prescribes longer timeframe—particularly for defects to a building structure and for goods which have been used for a building structure based upon their customary manner of usage and which have caused its defectiveness. For replacement deliveries, the statute of limitations period shall begin anew unless the supplier has apparently made a new delivery only for the purposes of goodwill or in order to avoid a legal dispute.

(4) If the Partner allows a notice period to lapse which has been appropriately set for it, without having delivered rectified or flawless goods, then we may eliminate the defect on our own, or have it eliminated by a third party, at the Partner's expense. The statutory directives regarding the dispensability of a notice period as well as all statutory rights owing to defects—including recourse claims—shall remain unaffected.

15. Legal Defects

(1) The Partner shall guarantee that all deliveries are not encumbered by third-party rights and particularly that, through the delivery and usage of the goods, no patents or other industrial property rights of third parties are being violated in the country of the agreed delivery destination, in the European Union, Switzerland, Turkey and—insofar as the Partner discloses this—in the countries of intended usage.

(2) Insofar as the Partner is directly liable to third parties by law, the Partner shall indemnify us from any third-party claims arising from any proprietary right violations and shall assume all required costs which are incurred in this context.

(3) Claims owing to legal defects shall become statute-barred within the same timeframe as for claims for material defects.

16. Miscellaneous Claims, Partner's Liability

(1) Insofar as the Partner is responsible for product damage, it shall be obliged to indemnify us in this regard from third-party damage compensation claims insofar as the cause lies in its sphere of control and organization and it itself is liable in the external relationship. Within the parameters of this liability, the Partner shall also be obliged to reimburse any expenditures in accordance with §§ 683, 670 BGB [**German Civil Code**] as well as in accordance with §§ 830, 840, 426 BGB which arise from or in conjunction with a recall campaign which has been implemented by us or our customers. Insofar as this is possible and reasonable, we shall notify the Partner of the content and the scope of the recall measures to be implemented and provide it the opportunity to submit a position statement. Any other statutory claims shall remain unaffected. The Partner shall be obliged to maintain commercial liability insurance and product liability insurance coverages which are respectively appropriate in their scope and amount. If we are entitled to any more extensive damage compensation claims, they shall remain unaffected.

17. Our Liability

(1) Any damage compensation claims—regardless of the legal reason—may be asserted against us only in the case of intentional wrongdoing, gross negligence upon the part of our legal representatives or management personnel and in the case of the culpable violation of essential contractual obligations. In the case of the culpable violation of essential contractual obligations, we shall be liable only for the contractually-typical, reasonably foreseeable damages. The liability restriction shall not be valid in the cases in which we are mandatorily liable in accordance with the German Product Liability Act for personal injury or property damage and in the case of the loss of life, physical injury or damage to health.

General Purchasing and Ordering Terms and Conditions of the Companies of the Schürholz Group (Schürholz GmbH & Co. KG)

18. Force Majeure

(1) Force majeure events, civil unrest, government measures, the failure to make deliveries upon the part of suppliers and other unforeseeable, unavoidable and grave events—but nonetheless not labor struggles, strikes and lockouts—shall release the contractual partners from their performance obligations for the duration of the disruption and in the scope of its applicability. Insofar as this is reasonable, the contractual partners shall be obliged to promptly provide the required information and to adapt their obligations to the changed conditions in good faith.

19. Place of Performance, Legal Venue and Applicable Law

(1) The place of performance for the delivery of goods shall be our designated delivery destination. The place of performance for our payments shall be the location of our company which has concluded the contract. Any claims for defects must be satisfied there where the delivered goods are respectively located.

(2) For all legal disputes arising from and in conjunction with a contract—including disputes regarding a bill of exchange and check process, our commercial residence shall be the legal venue. We shall also be entitled to take legal action in the legal venue which is competent for the Partner's commercial residence.

(3) Exclusively the law of the Federal Republic of Germany shall be applicable to the contractual relationship. The applicability of the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 (CISG - "Vienna Sales Convention") shall be excluded.

These Purchasing and Ordering Terms and Conditions shall be valid for:

Schürholz GmbH & Co. KG Punching Technology

Industriestraße 9
58840 Plettenberg
Germany

Schürholz GmbH & Co. KG Sheet Metal Processing

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57399 Kirchhundem
Germany

Schürholz Polska

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Komorniki ul. Polna 17b
PL - 55-300 Środa Śląska
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