

General Terms and Conditions of Purchase of Christian Bauer GmbH + Co. KG

§ 1

Scope of terms

- (1) The following terms and conditions of purchase (hereinafter referred to as "**GPC**") shall only apply to entrepreneurs within the meaning of Section 14 German Civil Code, legal entities under public law or an asset under public law (hereinafter referred to as "**Supplier**").
- (2) Our GPC shall apply exclusively; we shall not accept any terms and conditions of the Supplier which conflict with or deviate from our GPC unless we have expressly agreed to their validity in writing. Our GPC shall also apply when we accept deliveries of the Supplier without reservation while being aware of conflicting or different terms of the Supplier.
- (3) Unless otherwise agreed, the following Terms and Conditions of Purchase shall apply to all deliveries and services performed to us.
- (4) All agreements made between us and the Supplier for the purpose of executing a contract shall be set down in writing in a contract.
- (5) In the case of permanent business relations between us and the supplier, the following GPC shall also apply to all future orders without requiring any further reference or agreement.

§ 2

Offer, Order, Conclusion of Contract, Call-Offs

- (1) The creation of offers and cost estimates by the Supplier is free of charge and non-binding for us.

- (2) Offers to us shall contain all relevant information necessary for an assessment of quality and price.
- (3) Delivery contracts (order and acceptance) and call-offs as well as their amendments must be in writing; verbal and telephone orders must be confirmed by us in writing to be legally binding; this shall also apply in the event of subsequent amendments to orders already placed.
- (4) If the order or the delivery call-off is not confirmed in writing by the Supplier within 3 working days of its receipt, we shall be entitled to revoke the order without the Supplier being able to derive any claims from this.
- (5) A confirmation of the Supplier deviating from our order constitutes a new offer which requires our renewed written consent.
- (6) We shall, within reason, demand changes to the quality and quantity of the contractual items from the Supplier. Any effects, in particular with regard to additional and reduced costs as well as delivery dates, shall be reasonably agreed upon by mutual consent.
- (7) We reserve ownership rights and copyrights in all documents handed over to the Supplier, including illustrations, drawings and calculations; they shall not be made accessible to third parties without our express written consent and shall, at our request, either be handed over to us immediately or deleted at our discretion. They shall be used exclusively for delivery on the basis of our order. They are to be kept secret from third parties, in this respect the provisions in § 9 shall apply in addition.
- (8) If the order contains materials that we have previously provided and delivered, we reserve title to them. The Supplier is obliged to treat the materials owned by us with care; in particular he is obliged to insure them adequately at his own expense against damage caused by fire, water and theft at replacement value. If the materials owned by us are processed or inseparably mixed on the basis of the order, we shall acquire co-

ownership of the new items in the ratio of the invoice value of the goods to the invoice value of the other goods used.

- (9) Our order is based on the agreed specifications of the goods. Our approvals of samples, descriptions or other examples of goods supplied in advance, as well as those specifications and product descriptions which - e.g. by designation or reference in our order - are the subject of the contract, shall in particular be deemed to be an agreement on the quality.
- (10) The Supplier undertakes to comply with all laws applicable in the EU and in the country of delivery as well as with the applicable state of the art.
- (11) The Supplier undertakes to comply with the Code of Conduct of the Business Social Compliance Initiative (BSCI) (www.bsci-eu.org). In particular, he shall ensure that children and young people are only employed in compliance with the regulations of the International Labour Organization (ILO), the United Nations (UN) and national law of the country concerned. The Supplier shall also impose this obligation on his Suppliers.

§ 3

Prices and terms of payment

- (1) The price stated in the order shall be binding and includes all services and ancillary services of the Supplier as well as all ancillary costs. In the absence of a written agreement to the contrary, the price shall include delivery "free house" including packaging.
- (2) We can only process invoices if they state the order number and article number as specified in our order; the Supplier shall be responsible for all consequences resulting from non-compliance with this obligation unless he can prove that he is not responsible for them.

- (3) Unless otherwise agreed in writing, we shall pay the purchase price within 14 days, calculated from delivery and receipt of a proper invoice, with 3% discount, within 30 days, calculated from delivery and receipt of a proper invoice, with 2% discount or net within 90 days.
- (4) The invoice shall be sent to our e-mail address rechnungseingang-1880@christianbauer.com or by post to our printed address. It shall not be enclosed with a consignment.
- (5) We shall be entitled to setoff and retention rights as well as the defense of non-performance of the contract to the extent permitted by law. In particular, we shall be entitled to withhold due payments as long as we are still entitled to claims from incomplete or defective services against the Supplier.
- (6) We reserve the right to choose the method of payment. In the case of payment by cheque or draft, the legality of the payment depends solely on the fact that the cheque or transfer order is received by the recipient or the bank within the payment term.
- (7) Invoices of the Supplier which deviate from the delivery or service shall not be deemed to have been received by us until they have been corrected in a proper invoice.
- (8) Payments on our part do not constitute recognition of the delivery or service as being in accordance with the contract.
- (9) We do not owe any interest on due payments. The statutory provisions shall apply to default in payment.

§ 4

Delivery period

- (1) The delivery time stated by us in the order is binding. The date of receipt of the delivery at our works shall be authoritative for adherence to the delivery date.
- (2) Early deliveries shall only be accepted after prior written agreement.
- (3) The Supplier shall be obliged to inform us immediately in writing if circumstances arise or become apparent to him which indicate that the agreed delivery time cannot be adhered to..
- (4) Unless expressly agreed upon otherwise in writing, the Supplier shall not be entitled to make part deliveries or to provide surplus or short deliveries.
- (5) If the agreed date is not met due to a circumstance for which the Supplier is responsible, we shall be entitled, at our discretion and without prejudice to further statutory provisions, to withdraw from the contract after a reasonable period of grace has elapsed, to procure replacement from a third party and/or to claim damages for non-performance. We are entitled to compensation for all additional costs incurred by us due to delayed deliveries for which the Supplier is responsible. Acceptance of the delayed delivery shall not constitute a waiver of any claims for compensation.
- (6) If the Supplier does not comply with the agreed delivery date, we shall also be entitled to demand 0.5% of the order value for each commenced calendar week of the delay in delivery, but no more than 5% of the order value as a contractual penalty. The forfeiture of the contractual penalty does not exclude the assertion of a claim for further damages, taking into account the contractual penalty. If we accept the goods or services despite the delay, we shall be entitled to demand the contractual penalty without having reserved this right for us upon acceptance. The Supplier shall be entitled to demonstrate that the actual damage incurred was lower or that no damage whatsoever has been incurred.

- (7) We reserve the right to change the quantity of ordered deliveries for operational reasons or to order the temporary suspension of planned deliveries.
- (8) In the event of an earlier delivery than agreed, we shall be entitled to refuse performance or to return the goods to the Supplier at the Supplier's expense and risk. If the goods are not returned, we shall store the goods with us at the Supplier's expense and risk. With regard to payment, the agreed delivery date shall be decisive.

§ 5

Delivery, Transfer of Risk, Transfer of Ownership, Acceptance of Goods and Documentation

- (1) The transport of goods shall be carried out at the expense and risk of the Supplier "free agreed place of delivery". Where delivery "freight collect" was exceptionally agreed, we shall only bear the most favorable freight costs, unless we have required a certain kind of shipment.
- (2) Deliveries shall be made with the freight company designated by us, unless, exceptionally, "free house" has been agreed.
- (3) Deliveries shall be accepted from Monday to Friday between 7.00 a.m. and 12.00 a.m. and between 1.00 p.m. and 3.45 p.m..
- (4) Irrespective of the costs being borne, the risk shall only pass to us after delivery and acceptance of the goods or services at the agreed place of delivery.
- (5) Ownership of the goods shall pass to us upon transfer of risk. The transfer of ownership of the goods shall take place unconditionally and without regard to the payment of the corresponding remuneration. A retention of title by the Supplier, in particular the extended retention of title, the

forwarded retention of title and the retention of title extended to further processing, shall not be recognized.

- (6) The Supplier is obliged to enclose a delivery note with the delivery. Furthermore, the Supplier shall be obliged to state our order number, article number, article designation, delivery quantity, delivery date and delivery address on all delivery documents, order confirmations, invoices, etc. The delivery documents shall be handed over to us at the time of receipt of the goods. If the Supplier fails to do so, we shall not be responsible for the resulting delays in processing.
- (7) We shall not be in default of acceptance as a result of any delays which may occur, in particular standing and waiting times, for which we are not responsible.
- (8) We may return packaging material to the Supplier.

§ 6

Assignment of rights

The supply agreement concluded with us shall not be transferred either wholly or partly to a third party without our written consent. The assignment of claims towards us is only effective with our prior written consent. This shall not apply if the legal transaction on which the claim is based is a commercial transaction for both parties or if the Supplier is a legal entity under public law or an asset under public law.

§ 7

Warranty for material defects, incoming inspection, quality assurance and complaints

- (1) The statutory provisions on material defects shall apply unless otherwise provided below.

- (2) The Supplier guarantees that the delivered goods are free of defects, in particular that they have the contractually agreed quality and quantity, comply with the specifications required by us and meet the quality and safety standards offered at the time of delivery. Changes shall be approved by us prior to delivery of the goods.
- (3) Our obligation to inspect shall be limited to defects which become apparent during the incoming goods inspection under external inspection including the delivery documents as well as during our quality inspection by random sampling (e.g. transport damage, wrong and short delivery). We shall immediately notify the Supplier of such obvious defects in the delivery as well as hidden defects as soon as they are discovered in the ordinary course of business. In this respect, the Supplier waives the objection of late notification of defects.
- (4) For quantities, weights and dimensions, the values determined by our incoming goods inspection shall be decisive.
- (5) The Supplier shall be obliged to carry out a quality control during production and an outgoing goods inspection and shall inspect his deliveries comprehensively for quality accordingly.
- (6) The Supplier shall carry out a quality assurance which is suitable in type and scope and which corresponds to the latest state of the art and shall prove this to us upon request. The Supplier shall conclude a corresponding quality assurance agreement with us to the extent that we consider this necessary. The Supplier shall prepare appropriate inspection and test reports relating to the production to order and shall keep these documents for a period of 10 (ten) years after fulfilment of this order, unless we determine otherwise; he shall make these documents available to us on request. The Supplier shall grant us access to his premises to the extent required and after prior consultation for the purpose of quality audits.

- (7) We are entitled to choose the type of subsequent performance. The Supplier shall be entitled to reject the type of subsequent performance chosen by us under the provisions of Section 439 subsection (3) German Civil Code.
- (8) If the Supplier does not comply with the demand for the removal of defects or the delivery of a replacement immediately, at the latest however after 7 working days, or if he is unable to carry it out, we shall be entitled to withdraw from the contract and/or to demand compensation instead of performance as well as to return the goods to the Supplier at the Supplier's risk and expense and to purchase them elsewhere. The Supplier shall bear the necessary costs arising therefrom.
- (9) In urgent cases, if the immediate rectification of defects is justified by a special interest on our part or if it is to be procured that the rectification of defects by the Supplier would result in delays which would make it more difficult for us to fulfil our obligations towards the contractual partners, or if the rectification of defects by the Supplier would cause higher costs than the rectification of defects by us, we shall be entitled, at the Supplier's expense and without prior notification, to carry out the necessary rectification of defects or subsequent improvement of the defective delivery or service ourselves or through third parties (self-delivery). In such cases we shall also be entitled to procure defect-free goods or services from third parties (replacement procurement). The Supplier shall bear the costs necessary for the self-delivery or replacement procurement.
- (10) We have the right to return nonconforming goods at the expense and risk of the Supplier.
- (11) If a defect in the delivery is discovered only after further processing or delivery of the goods delivered by the Supplier, the Supplier shall be obliged to bear all necessary costs associated with the replacement or repair of the defective goods, in particular testing, transport, travel, labor and material costs.

- (12) In the event of insolvency or bankruptcy, we are entitled to withhold an appropriate security, at least however 10 % of the agreed price, until the expiry of the limitation of warranty claims.
- (13) The Supplier assigns its warranty claims against its pre-suppliers to us. We are entitled to disclose this assignment in the event of bankruptcy of the Supplier. Furthermore, we are entitled to cancel orders which have not yet been delivered at this time.
- (14) The Supplier shall indemnify us against all third party claims based on a defect in the Supplier's scope of performance. The Supplier shall bear all costs arising from a defect, including any recall costs.
- (15) If the delivered goods are processed into an end product which is sold to a consumer, we shall be entitled to a right of recourse against the Supplier in accordance with Sections 478, 479 German Civil Code in the event of claims being made against us by his customers.
- (16) The limitation period is 36 months, calculated from the transfer of risk, unless the mandatory provisions of Sections 478, 479, 634a German Civil Code apply. In the event of replacement deliveries, the period of liability for material defects for the replaced part shall begin anew.

§ 8

Liability, product liability, indemnity, liability insurance liability

- (1) The Supplier shall be liable to us in accordance with the statutory provisions.
- (2) If claims for damages are asserted against us by third parties on the basis of the Product Liability Act or on the basis of other regulations due to a product defect, the supplier shall indemnify us on first demand against claims for damages, also with regard to damages due to necessary recall, if and to the extent that the damages can be attributed to a defect in the

goods delivered by the Supplier. If the cause of such damage lies with the Supplier, he shall bear the burden of proof in this respect. In such cases, the Supplier shall also bear all costs and expenses including the costs of any legal proceedings. We shall inform and support each other with the Supplier in the legal defense.

- (3) In order to secure his obligations arising from the delivery relationship with us, the Supplier shall conclude a business liability and product liability insurance including a recall risk in a sufficient amount with a sum insured of at least € 10 million per personal injury/property damage and maintain it at his expense continuously and for at least 3 years beyond the delivery. Upon request, the Supplier must provide us with written proof of the conclusion and existence of such insurance. Further claims for damages on our part remain unaffected.

§ 9

Confidentiality

- (1) The Supplier shall keep confidential all information supplied by us within the framework of an order, including product specifications and all documents created by the Supplier within the context of an order (hereinafter referred to as "**Confidential Information**") and to use these only for the purpose of executing the order. Confidential information shall not be reproduced, commercially used or made accessible to third parties without our prior written consent.
- (2) The Supplier shall make accessible Confidential Information, also in its own enterprise, only to persons who need to be deployed for the execution of the order and who also have been bound by the Supplier to the confidentiality obligation. The Supplier shall impose equivalent confidentiality obligations on this group of persons, if this is not already the case. Furthermore, the Supplier shall take all reasonable steps in order to prevent that third parties have access to work results or to Confidential Information received from us. The Supplier shall be liable for any

infringement of the confidentiality obligations by a third party to whom Confidential Information was made accessible by it.

- (3) The obligations under Section 9 subsection (1) and subsection (2) shall not apply insofar as Confidential Information is demonstrably generally known, becomes generally known through no fault of the Supplier, is lawfully obtained from a third party or was already known to the Supplier.
- (4) Advertisement which contains the business relation with us and other statements towards the public or towards authorities shall only be permitted with our prior written consent, unless these statements are necessary due to mandatory statutory law.
- (5) This confidentiality obligation shall also apply after the end of the delivery agreement or business relationship for the duration of 5 years subject to the provisions of the following sentence 2. If the information subject to confidentiality represents a business secret, the confidentiality obligation shall be valid for an unlimited period of time. This confidentiality obligation shall apply accordingly to documents as set out in subsection (1) above received during contract negotiations if no contract is concluded, provided that the term of the confidentiality obligation shall start where it is established that contract negotiations have failed.
- (6) Any documents received shall be returned to us unsolicited and in proper condition at the end of the delivery and business relationship.

§ 10

Place of performance, place of jurisdiction, choice of law

- (1) Place of performance for all deliveries and services is Welzheim, Germany.
- (2) Without our prior written consent, the Supplier shall not be entitled to have the performance owed by him performed by third parties (e.g. subcontractors).

If the Supplier is a businessman, a legal entities under public law or an asset under public law, the place of performance shall be the exclusive place of jurisdiction; however, we shall also be entitled to sue the Supplier at his general place of jurisdiction.

- (3) All legal relationships between the parties shall be governed exclusively by German law to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG) and international private law.

§ 11

Final provisions

Should individual provisions of these General Terms and Conditions of Purchase be or become invalid, this shall not affect the validity of the remaining provisions.

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