

General Terms and Conditions of Purchase

of

the Pleiger Group of Companies

with registered office in Witten

1. Scope

- 1.1 These terms and conditions of purchase shall become subject matter of the agreement of purchase and sale concluded with us. Acceptance of our order shall be considered as acknowledgement of our terms and conditions of purchase. Should the supplier expressly and individually object to our terms and conditions of purchase, we shall be entitled to cancel the order by notifying the supplier in writing. The supplier shall not be entitled to derive any rights from such cancellation.
- 1.2 Our terms and conditions of purchase shall apply exclusively.
- 1.3 We do not recognize any supplier's terms and conditions that are conflicting or deviating from our terms and conditions unless we have expressly accepted their validity in writing. Our terms and conditions of purchase shall apply also in the event that we, upon knowledge of terms of the supplier which are conflicting or deviating from our terms and conditions of purchase, accept the delivery without reservation.
- 1.4 Our terms and conditions of purchase shall only apply vis-à-vis enterprises as defined by section 14 BGB (Civil Code) if the contract is part of the operation of the enterprise, as well as vis-à-vis legal persons under public law and special funds under public law as defined by section 310 par. 1 BGB (Civil Code).
- 1.5 Our terms and conditions of purchase shall also apply to all future business with the supplier.

2. Conclusion of a Contract and Offer Documents

- 2.1 Our inquiry shall be binding with regard to the supplier's offer. The supplier must expressly point out any deviations.
- 2.2 Orders and change orders shall be valid only if submitted in writing. Oral agreements shall only become valid after having been confirmed in writing.
- 2.3 Subsidiary agreements, reservations, amendments or alterations to the agreement of purchase and sale must be confirmed by us in writing in order to be valid.
- 2.4 The supplier shall be obliged to accept our order and any change order within a one-week period and to send us a corresponding order confirmation. If the supplier fails to do this, we shall be entitled to cancel our order even if our order was

based on a binding offer of the supplier. The supplier shall not be entitled to derive any rights against us from such cancellation.

- 2.5 The order confirmation must show the price, the quantity, a binding delivery date, the order number, the order date as well as our order or job number.

For each commodity, the statistical commodity code in accordance with the Council Regulation (EEC) no. 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff must be stated on the order confirmation, at the latest, however, on the invoice. In addition, for each commodity a supplier's declaration has to be made out in accordance with Regulation (EC) no. 1207/2001 with information on the status of goods in order to comply with the preferential origin rules of the Community. For a regular supply with goods a long-term supplier's declaration has to be submitted which shall include a list of goods in the prescribed form with a legally binding signature.

- 2.6 Offers, designs, specimens and samples provided by the supplier shall be free of charge for us and shall not create any liabilities for us.
- 2.7 Unless otherwise agreed, we shall not pay any remuneration or compensation for visits or the preparation of offers, projects etc.
- 2.8 We shall be entitled to even subsequently demand technical alterations to the goods and/or changes in the delivery times to an extent that can be reasonably expected of the supplier. In such event, reasonable and amicable arrangements have to be made in view of any effects, in particular with regard to additional costs or shortfalls, as well as with regard to delivery dates.
- 2.9 The supplier must make available to us in good time all drawings and documents required for discussing the delivery item from a technical point of view. However, the supplier may not derive any rights from the fact that we participate in such discussion or in any other way in the design work.
- 2.10 We reserve title to and copyright of illustrations, drawings, samples, calculations and other offer documents; they may not be disclosed to third parties without our express written consent. They shall be used exclusively for manufacture based on our order; after the order has been processed, they have to be returned to us without us having to ask and free of costs. They must be treated as confidential vis-à-vis third parties.

- 2.11 The supplier shall call for our current work standards and guidelines in good time and use them as a basis for the delivery and performance respectively. All standards and guidelines specified by us have to be applied in their latest version in each case.
- 2.12 The supplier shall make available to us in good time, free of charge and without us having to ask for them all documents required by us for set-up, operation, inspection or repair of the delivery item.
- 2.13 In the event that we assume the costs of manufacturing tools or models, they will be manufactured on our behalf which means that we will acquire original ownership. Should such original acquisition of ownership fail, the supplier shall transfer ownership to us in accordance with sections 929, 930 BGB (Civil Code). In this case the supplier shall take the tools or models into safekeeping on our behalf free of charge and shall maintain them and provide insurance cover for them in a due manner. Upon request, the supplier shall be obliged to immediately hand over the tools and models to us.

3. Prices, Invoices and Terms of Payment

- 3.1 The prices quoted by us shall be binding; this shall also apply to blanket purchase orders for the complete duration of the agreement. If no prices are quoted, the supplier's current list prices with the customary discounts shall apply.
- 3.2 All prices shall be understood CPT (carriage paid to the place of destination) in line with Incoterms 2010 to the delivery address specified by us, plus statutory turnover tax and packaging, while we shall be entitled to specify the type of packaging, the means of transport, the transport route and the transport insurance. On request, the packaging shall be returned C/F at the expense of the supplier.
- 3.3 Any additional services may only be charged to us if we expressly ordered them from the supplier in writing.
- 3.4 The claim shall become due after the delivery item has been completely received at the place of destination or the service has been rendered in full. Another requirement shall be acceptance, to the extent that it is provided for by law or by contract, as well as issue of an invoice in line with item 3.8.
- 3.5 When we accept early deliveries, the due date shall be based on the agreed delivery date. Should the invoiced goods reach us later than the invoice, the date of receipt of the goods shall be held to be the date of receipt of the invoice.

- 3.6 Unless otherwise agreed, we shall make the payments at our discretion, either within 14 days of receipt of the invoice with a deduction of a 3% discount or within 60 days of receipt of the invoice net; the term, however, shall not commence before the supplier has effected its complete performance.
- 3.7 Payments on account may only be demanded if based on an individual agreement.
- 3.8 Two copies of the invoice shall be sent to us concurrently with the dispatch of the goods, however, under separate cover. Each invoice must include order number and order date as well as our order or job number. Each invoice must satisfy the applicable statutory requirements, in particular it must contain the complete name and the precise address of the enterprise supplying goods or providing services, the tax number or sales tax identification number, the consecutive invoice number, the date of issue of the invoice, the time of performance, the quantity and the type of the items to be delivered or the type of the service to be rendered. Invoices which are not made out properly shall be held not to have been issued. Invoice addressee shall be the company Pleiger without reference to a particular person. If required, this person shall be referred to in the text of the invoice. Increased performance or underperformance, if any, shall be stated in the invoice separately. The statutory value added tax shall be shown separately.
- 3.9 In those cases in which delivery or service may be exempt from VAT, the supplier shall be obliged to furnish the required supporting documents or to assist in furnishing them. For deliveries within the European Union the supplier has to communicate its sales tax identification number to prove its entrepreneurial status and to assist in furnishing accounting and documentary proof of export.
- 3.10 In the event of a defective delivery we shall be entitled to withhold payment based on the proportional value until due performance. On the other hand, when we effect payments this does not mean that we recognize the delivery as complying with the contract.
- 3.11 Without prior written consent - which must not be unreasonably withheld - the supplier shall not be entitled to assign its receivables from us or have them collected by third parties.

4. Delivery Time and Delay in Delivery

- 4.1 The delivery times specified by us shall be binding and shall be considered fixed dates. A delivery period, if any, shall commence at the point in time we send out

the order. Receipt of the goods at the receiving point or point of use specified by us shall be decisive for compliance with the delivery date or the delivery period.

- 4.2 When the supplier realizes that for any reasons an agreed delivery time cannot be complied with, the supplier has to notify us in writing of this situation stating the reasons and the expected duration of the delay.
- 4.3 In the event of a delay in delivery we shall be entitled to demand for each started week of delay a contractual penalty amounting to 1 % of the order value, however, up to a maximum of 10 %. We reserve the right to assert further legal claims. Payment of an invoice by us without reservation shall not be construed as a waiver of a contractual penalty or claims for damages based on a delay in delivery.
- 4.4 Should the agreed delivery time not be complied with, we shall be entitled, upon expiry of a reasonable period of grace granted by us, to withdraw from the contract without prejudice to any further legal claims. Should the supplier be responsible for the delay, we shall be entitled, at our discretion, to claim damages incurred by us as a result of the delay or, after expiry of the above-mentioned period, to claim damages instead of performance or reimbursement of expenses incurred in vain.
- 4.5 Force majeure, industrial disputes or other events beyond the control of and not foreseeable by the supplier shall release the supplier from its obligations to perform only for the duration of the disturbance and within the scope of its effect. To the extent to which this can be reasonably expected, the supplier shall be obliged to immediately communicate the required information and to adapt its obligations to the changed circumstances in good faith. We shall be released in whole or in part from the obligation to accept the delivery/service ordered and shall be entitled to withdraw from the contract in this respect, should the delivery/service, as a result of the delay caused by such circumstances, no longer be utilizable for us from an economic point of view. In the cases referred to above we shall be entitled to cancel the order in any case if the delay in delivery continues for more than two months. The supplier shall not be entitled to any claims against us if we cancel the order.
- 4.6 If the goods are delivered earlier than agreed, we reserve the right to return the goods at the expense of the supplier. Provided goods delivered early are not returned, the goods shall be stored by us for the account and risk of the supplier up to the delivery time agreed.

5. Shipment

- 5.1 In the absence of forwarding instructions specified by us, the supplier has to choose the most favourable and most suitable transport option for us.
- 5.2 The supplier shall submit, in good time and separately from goods and invoices, an advice of dispatch for each individual consignment.
- 5.3 For sea or air transport, the shipping documents and invoices must show the name of the shipping company/airline and the name of the ship/the flight number.
- 5.4 If a plant or a device is to be dismantled and delivered not in one but in several parts, all parts must be marked and be listed and described in the delivery note in line with this marking.
- 5.5 Tools and set-up equipment must not be shipped together with delivery items.
- 5.6 On demand wooden packaging must be handled and labelled in accordance with the IPPC terms.
- 5.7 Our order reference numbers, item numbers and information about the point of discharge must be included in all letters, advices of dispatch, consignment notes, invoices, etc.
- 5.8 All consignments which we cannot accept because said forwarding instructions have not been complied with shall be stored for the account and risk of the supplier. We shall be entitled to determine the content and the state of such consignments.
- 5.9 The supplier shall be liable for all costs and detrimental consequences incurred by us due to non-compliance with said forwarding instructions. The supplier shall also be liable for compliance with said forwarding instructions by its subcontractors.
- 5.10 In all other respects, the supplier shall be liable in line with the statutory provisions.

6. Delivery, Passing of the Risk and Packaging

- 6.1 We shall accept partial deliveries only by express agreement. In the event of agreed partial deliveries, the residual quantity is to be specified.

We shall not be obliged to accept delivery of quantities which are larger or smaller than the quantities agreed (excess delivery or short delivery). The fact that we

accepted the goods does not mean that we are in agreement with the deviating supply quantity.

- 6.2 One copy of a delivery note must be enclosed with the goods, which note, in addition to a detailed designation of the scope of delivery as per item, type and quantity etc., shall contain our detailed order information. Should the supplier fail to provide such information, delays in processing the delivery shall be unavoidable, for which delays we cannot be held responsible.
- 6.3 The risks shall be passed at the delivery address stated by us.
- 6.4 Place of performance with regard to the obligation of the supplier to take back packaging in line with section 4 of the Packaging Directive shall be the place of delivery of the goods.
- 6.5 We shall only be in default of acceptance if we are responsible for non-acceptance of delivery or performance.
- 6.6 To the extent that it is reusable, packaging for which we were charged shall be credited to us at the full amount charged when it is returned. The credit note shall always be submitted in a single copy stating the invoice in which the amount was charged.

7. Defects of Quality and Defects of Title

- 7.1 All items delivered by the supplier and all services rendered by the supplier must comply with the state of the art, the relevant legal provisions, the safety requirements as applicable, the occupational health and safety regulations and the regulations for the prevention of accidents, as well as the regulations and guidelines laid down by authorities, employers' liability insurance associations and trade associations. Standards generally recognized on an international level, such as, e.g., DIN, ISO, IEC, EN, VDI, VDE, must be observed. Should deviations from these regulations be required in a particular case, the supplier must obtain our prior written consent.
- 7.2 The supplier shall expressly guarantee that it will meet the requirements laid down in item 7.1 and that it will adhere to other agreements or promises made by the supplier with regard to the quality of the delivery items. The warranty granted by the supplier shall also cover the parts manufactured and the services rendered by its subcontractor.

- 7.3 Should the supplier have reservations with regard to the type of design desired by us, it has to immediately notify us in writing of these reservations.
- 7.4 Acceptance of delivery shall always take place with the reservation of a quantity and quality control. We shall be obliged to check the goods for possible defects within a reasonable time. A notice of defects shall be deemed on time when, in the case of recognizable defects, it is received by the supplier within a period of 20 working days starting from delivery or, if it was not possible to identify the defect during a proper check, within a period of 20 working days starting from its discovery. We expressly draw attention to the circumstance that some goods purchased by us, in part in their original packaging, have to be redispached by us to the customer where the goods have to be installed. In these cases, upon receipt of the goods we shall only be in a position to identify and make a complaint in respect of damaged packaging. An obligation to control beyond such check shall only exist for us at the point in time when the goods are installed at the final customer's premises. We expressly reserve the right to decide whether an excess delivery complies with the contract. Should in the event that goods are defect subsequent performance by the supplier fail, there shall be no duty to examine and make a complaint in respect of a defect immediately on receipt of the goods in line with section 377 HGB (Commercial Code) with regard to services rendered by the supplier for the purpose of subsequent performance.
- 7.5 In the event of a defect we shall be entitled to exercise our statutory rights in full with the place of warranty being the specified point of use; we shall be entitled, at our discretion, to require the supplier to remedy the defects or to deliver substitute goods. The rejected parts shall remain at our disposal until they are replaced or repaired and shall, upon their replacement, become the property of the supplier. Should the supplier, within a reasonable period, fail to fulfil its obligation to effect subsequent performance in accordance with the discretion exercised by us or should subsequent performance fail, we shall be entitled to immediately assert our rights to reduction of the purchase price, cancellation, damages instead of performance or reimbursement of expenses. Subsequent performance shall be deemed to have failed if an attempt to remedy defects or effect substitute delivery does not result in a delivery free of defects by the supplier. The supplier shall be obliged to bear all expenses required for a remedy of defects or a substitute delivery. In addition, we shall be entitled to withhold payment based on the proportional value until due performance.

- 7.6 Our right to performance shall continue to exist until a written or legal assertion of claims for damages instead of performance is made. Should we withdraw from the contract due to the existence of a defect, the supplier shall also be obliged to reimburse us for the costs connected with the contract.
- 7.7 We shall be entitled to the rights of recourse against the supplier in line with sections 478, 479 BGB (Civil Code) even if the supplier has only delivered parts for the object newly produced by us.
- 7.8 Should the supplier be in default with regard to the substitute delivery or remedy of a defect, we shall be entitled to procure a replacement or remedy a defect ourselves or have third party do so at the expense of the supplier. The same shall apply if it is a matter of urgency and the supplier cannot be reached in time or is not in a position to remedy the defect or procure a replacement in time. The supplier has to be immediately notified of this situation.
- 7.9 Our claims based on defects shall become statute-barred in accordance with the legal provisions, at the earliest, however, 2 months after we have met any claims of our customer based on defects, which claims resulted from the same defect of the object. This suspension of expiration of prescription shall expire at the latest 5 years after the object was delivered to us. The limitation period shall start to run anew for replaced parts. Should the supplier investigate the existence of a defect or its remedy, the limitation period shall be interrupted until the supplier notifies us of the result of its investigation, declares to us that the defect has been remedied or refuses to continue to remedy the defect. An investigation shall be deemed to take place in particular in the event that the supplier initiates the investigation or passes on the delivery for investigation to a third party.

8. Industrial Property Rights

- 8.1 The supplier shall be held liable to the effect that, by our acceptance of delivery or performance and by their use by us, third party rights, in particular patent and license rights, shall not be infringed, unless the supplier manufactured the items in following our design instructions.
- 8.2 The supplier shall accept responsibility for all damage incurred by us or our customer due to an infringement of such rights. In proceedings in and out of court instituted for this reason, the supplier shall support us or our customers and shall take over the costs incurred by these proceedings.

8.3 As the case may be, we shall be entitled, at our discretion, to either acquire at the expense of the supplier from the holder of the rights the required permit for commissioning, use, resale etc., or to withdraw from the contract.

9. Inspections

9.1 In the event that the delivery item is subject to inspections, the supplier shall bear the factual costs and its own staff costs incurred by the inspections.

9.2 The supplier must notify us at least 1 week in advance of the readiness for inspection and agree with us on an inspection date. If the delivery item is not made available at said date, our staff costs to be incurred by the inspection shall also be borne by the supplier.

9.3 Should further or repeated inspections be required due to determined defects, the supplier shall bear all costs in this respect.

9.4 The supplier shall bear all costs incurred by the testing of the input material.

10. Product Liability, Indemnity and Third Party Liability Insurance Cover

10.1 The supplier shall be responsible for complying with the state of the art (technology and science) in handling delivery and in the manufacture of the delivery items and for complying with all mandatory legal provisions, for carrying out a thorough functional and quality inspection before delivery of the product and for adequately documenting all measures taken in fulfilling these duties, for keeping these documents for 11 years and for permitting us, at our request, to inspect the documentation at any time.

10.2 Insofar as the supplier is responsible for damage caused by a defective product, it shall be obliged to indemnify us at our first request against claims asserted by a third party if the cause lies within the scope of its control and/or organization and if the supplier itself is liable vis-à-vis third parties.

10.3 Within the limits of its liability for loss occurrences as defined by item 10.1, the supplier shall also be obliged to reimburse any expenses in accordance with sections 683, 670 BGB (Civil Code) and in accordance with sections 830, 840, 426 BGB, which expenses were incurred as a result of or in connection with a recall action carried out by us. To the extent possible and to be expected from us, we shall be obliged to inform the supplier about the content and scope of the recall

measures to be taken by us and to give the supplier the opportunity to make its comments. This shall be without prejudice to other statutory claims.

10.4 The supplier shall undertake to maintain a product liability insurance with an insured sum of EUR 5 million per bodily injury/damage to property, as a lump sum; should we be entitled to further claims to damages, these claims shall remain unaffected.

10.5 The supplier shall take out an adequate liability insurance policy covering damage caused by the supplier, its personnel or agents to the delivery items or objects of service or caused by said items or objects. Upon request, the supplier shall furnish proof of the insured sum per loss occurrence.

10.6 Tools and other materials lent to us shall be covered by our insurance in the same way as items belonging to us. We disclaim any liability beyond the liability described above.

10.7 The supplier shall be obliged to obtain at its expense adequate insurance cover for tools and other materials made available by us.

11. Protection of Design and Industrial Property Rights

11.1 Insofar as the design of the parts ordered was developed by us, the supplier shall commit itself to neither now nor later deliver or offer such parts to third parties. We shall retain title to models, drawings, samples or suchlike made available by us to the supplier for executing an order, and they have to be returned to us - of which we have to be notified - after the order has been executed.

11.2 The supplier shall be liable vis-à-vis us to the effect that no third party's rights are infringed in connection with its delivery, and the supplier is aware of the fact that we sell the final products on a world-wide basis.

11.3 Should a third party assert claims against us because of this situation, the supplier shall be obliged to indemnify us against these claims at our first written request. Without the consent of the supplier, we shall not be entitled to enter into any agreements with such third party, in particular to effect a compromise.

11.4 The obligation of the supplier to indemnify us shall apply to all expenses incurred by us from necessity in connection with the assertion of claims against us by a third party.

12. Reservation of Title and Provision of Materials

12.1 We shall not recognize any extended or expanded reservation of title by the supplier with regard to the goods delivered to us.

12.2 We shall retain title to materials or parts provided by us. They may only be used in the context of our order. Processing of the materials and assembly of the parts by the supplier shall take place on our behalf. Should our materials and parts be connected, mixed or processed with other items which are not our property, we shall acquire co-ownership of the new object in the proportion of the value of our materials and parts to the value of the other items processed at the time when the connection, mixing or processing takes place. Should the supplier's object be deemed to be the main object, it shall be considered agreed that the supplier transfers to us proportional co-ownership. The supplier shall keep in safe custody our sole property and our co-property for us free of charge.

Materials provided must be kept separately and marked as property. They may only be used in line with the agreement made. The supplier shall be obliged to obtain at its expense adequate insurance cover for them.

13. Secrecy

13.1 Even after the business relationship has been terminated, the supplier shall be obliged to treat confidentially all information obtained in the context of the business relationship and not to disclose in whole or in part such information to third parties. Without our consent, the supplier shall likewise not use for its own business the information obtained. The obligation to observe secrecy shall not apply to information of which it can be proven that it is common knowledge, that the supplier already knew about it before it had been made available to it by us, or to information the supplier had learned from third parties without infringement of an obligation to observe secrecy incumbent on the third party.

13.2 Should the supplier learn about protectable inventions made by our company, all rights arising from these inventions, in particular the right to apply for proprietary rights, shall belong to us. The supplier shall at no point in time disclose its knowledge about the inventions and point out this knowledge to us as prejudicial to novelty, neither on submitting applications for proprietary rights nor otherwise.

14. General provisions

14.1 Without our prior consent, the supplier shall not be entitled to pass on the order to third parties. On request, we shall be told the name of subcontractors.

14.2 The supplier shall only be entitled to effect a set-off against counter-claims if they are undisputed or have become res judicata; the supplier shall notify us of its intention to effect a set-off at the latest 1 month before the counter-claim becomes due.

14.3 We shall be entitled to effect set-off against claims due and not due and even future claims against the supplier to which we or our affiliated companies are entitled. The following companies are affiliated companies:

- Paul Pleiger Maschinenfabrik GmbH & Co. KG, Witten
- Pleiger Maschinenbau GmbH & Co. KG, Witten
- Pleiger Kunststoff GmbH & Co. KG, Witten
- Pleiger Thermoplast GmbH & Co. KG, Schwentimental
- Pleiger Elektronik GmbH & Co. KG, Witten
- Pleiger Laseroptik GmbH & Co. KG, Witten
- Pleiger Industrietechnik GmbH & Co. KG, Sprockhövel
- Pleiger Datenservice GmbH & Co. KG, Witten
- Wohnstätten Pleiger GmbH & Co. KG, Witten
- Pleiger Wohnungsbau GmbH & Co. KG, Witten
- Pleiger Einkaufscenter GmbH & Co. KG, Witten
- Kraft Immobilien GmbH & Co. KG, Witten
- Pleiger Berufsausbildungsgesellschaft bR, Witten
- Pleiger Plastics Company, Washington / USA
- Pleiger Technology, L.P., Washington / USA
- Pleiger Electronic Control Systems (Shanghai) Co., Ltd. / PR China
- Pleiger Far East LLC, Busan / Republic of Korea

- 14.4 Unless the supplier has obtained our express written consent, it shall not be allowed to refer to the business connection with us in advertising and information material.
- 14.5 We shall treat the personal data of the supplier in compliance with the Federal Data Protection Act.
- 14.6 Unless expressly agreed otherwise, place of performance for the delivery obligation shall be the delivery address or the point of use designated by us. For all other obligations of both parties, place of performance shall be our principal place of business.
- 14.7 Venue shall be our principal place of business. We shall be entitled, however, to also bring an action against the supplier at its statutory venue.
- 14.8 The contract shall be subject to the law of the Federal Republic of Germany with the exclusion of the conflict of laws provisions, the uniform UN-Convention on Contracts for the International Sale of Goods or other conventions with regard to the law on the sale of goods.
- 14.9 Should individual provisions be ineffective or lose their effectiveness as a result of circumstances occurring at a later date, this shall not affect the effectiveness of the remaining provisions.