

Terms & Conditions of Purchase of ElringKlinger AG (as at February 2014)

Max-Eyth-Straße 2, 72581 Dettingen/Erms, Germany:

I. General / Applicability

All orders shall be governed by these Terms and Conditions of Purchase alone. Any standard terms and conditions of business of a supplier which conflict with or derogate from our Terms and Conditions of Purchase shall only be acknowledged by us to the extent that we have agreed in writing to do so. The acceptance of goods or services from a supplier or any payment made for such goods and services shall not be deemed to constitute such agreement.

II. Conclusion of the contract

1. Contracts, delivery schedules/forecasts and orders, as well as any amendments or modifications thereto, must be in writing. This shall also apply to any derogations in quality and quantity from the terms of our order, as well as to any subsequent amendment of contracts. Any standards and designs/drawings that may be stipulated by us in an order in specific cases, including tolerances, shall be binding. By accepting an order, the supplier acknowledges that it has informed itself of the nature and the scope of its performance by consulting the plans provided. Should the order itself, or the documentation, designs/drawings and plans provided by us, contain any manifest inaccuracies, typographical errors or mathematical errors, these shall not be binding upon us. The supplier shall be obliged to inform us of any such errors. The same shall apply in the event of any missing documents or designs/drawings.
2. Orders shall only be binding upon us if they are confirmed in writing by the supplier, subject to the stipulation of a binding delivery date, within a period of 14 days from the date of their receipt by the supplier, to the extent that nothing is agreed to the contrary in individual cases.
3. Designs/drawings, tools, samples, models, trade marks, package design or such like, as well as finished products and semi-finished products, which may be made available by us or produced on our behalf, shall remain our property and may only be delivered to third parties with our express written consent. Subject in individual cases to any provisions to the contrary, such items shall be returned to us immediately on the completion of the order without it being necessary for us to request such return. Any products manufactured by means of or featuring such manufacturing equipment, trade marks or package designs may only be delivered to third parties with our express written consent.

III. Delivery and transport

1. The agreed delivery periods and delivery dates shall be binding and shall include delivery to the place of performance. The supplier shall be in default if the agreed delivery date is not observed. In the absence of any specific agreement, the supplier shall be in default, should it not observe a delivery period which is standard and reasonable having regard to the circumstances.
2. Should any agreed delivery dates not be observed, the statutory provisions shall apply. If any delays are foreseeable, the supplier must inform us immediately thereof and seek our decision in relation to the continuation of the contract.
3. Partial deliveries shall as a rule not be permitted, unless we have expressly consented thereto.
4. Any acceptance without reservation of a delayed delivery or service shall not constitute a waiver of any claims which we may have pursuant to such delayed delivery/service.
5. Prior to the expiry of the delivery period we shall be entitled to refuse acceptance of the goods.
6. Our forwarding instructions must be complied with. Any costs incurred by us as a result of any non-

compliance with our forwarding instructions shall be borne by the supplier.

7. Delivery shall take place at the expense of the supplier at the point of delivery stipulated by us. Should we be exceptionally required to bear transport costs, the supplier must elect the mode of transport stipulated by us, and otherwise the mode of transport and method of delivery which are most favorable for us.
8. Risk shall be transferred on the occasion of acceptance by our receiving office.
9. Packaging shall be included in the price. If exceptionally contrary provisions are agreed, packaging shall be invoiced at cost price. The supplier must use the packaging stipulated by us and must ensure that the goods are protected from damage by the packaging.

IV. Force majeure

War, civil war, barriers to trade as the result of political circumstances such as strikes, lock-outs, operational disruptions, operational restrictions and other inevitable events which make contractual performance impossible or unreasonable for us shall be deemed to constitute events of force majeure and shall release us for the period of their subsistence from the obligation to take punctual delivery. Our contractual counterparties shall be obliged to apprise themselves immediately thereof and to modify their obligations to the altered circumstances in good faith.

V. Quality and acceptance

1. The supplier shall ensure that its deliveries comply with the technical data and specifications stipulated by us, the applicable versions of accident prevention and VDE regulations, the applicable statutory provisions and the latest acknowledged state of the art.
2. In order to ensure the quality of its deliveries, the supplier must carry out quality testing which is tailored to the type and volume of the relevant delivery.
3. In terms of measures, volumes and quality, the values which are recorded during our inspection of and quality tests on incoming goods shall be the values applicable.
4. The acceptance of any goods shall be subject to an examination of the goods as to their lack of defects, and in particular their correctness and completeness, as and when this is feasible in the normal course of business.
5. The supplier waives its right to object to the late notification of any defect.
6. The obligation of the supplier to make a declaration in accordance with the provisions of Regulation (EC) 1207/01 shall constitute an essential term of all contracts for delivery. Should long-term supplier declarations be used, we must be provided with the details of any changes to the information on origin with the relevant order confirmation, without being required to request such changes.
7. Should the supplier declarations contain insufficient information or should they be inaccurate, and should we for this or any other reason be required by the customs authorities to submit an INF4 information sheet or any similar document, the supplier shall be obliged at our request to immediately provide us with an accurate and complete INF4 information sheet approved by the customs authorities or any similar document relating to the origin of the goods.
8. Should we or our customers be subsequently charged by any customs authority on account of any inaccurate customs declarations that we issued ourselves, or should we or our customers suffer as a result hereof any other financial disadvantage, and should such an inaccuracy be attributable to the original information on origin provided by the supplier, the supplier shall be liable in this respect.

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9. To the extent that the supplier manufactures products within the meaning of Article 3 of Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (the REACH Regulation), it shall be responsible for ensuring that it complies with its duty to pass on certain information in accordance with Article 33 of the REACH Regulation.

VI. Terms of payment

1. Any prices which are agreed shall include packaging, transportation and any other costs.
2. To the extent that no specific agreement is reached, an invoice shall be settled within a period of 14 days subject to a 3% discount on the gross invoice amount or within a period of 30 days with no discount from the payment date and the receipt of both the invoice at the Dettingen/Erms facility and the receipt of the goods or the provision of the service.
3. Payment shall be made subject to the verification of the invoice and due and proper delivery.
4. Should any advance payment be made by us, we shall be entitled to demand a bank guarantee.
5. Any claims for payment against us may only be assigned with our written consent.

VII. Liability for defects

1. The supplier shall ensure that the goods comply with our specifications, including their package design and labeling. Our order or our commission shall be executed in a professional and proper manner and in accordance with the state of the art.
2. The statutory provisions relating to material defects and defects in title shall apply, to the extent that nothing is agreed to the contrary hereinafter.
3. We shall be required to inform the supplier immediately of any defects in or the defective execution of a delivery, as soon as they are identified in the context of a standard commercial procedure. In the event of the delivery of defective goods the supplier shall be given the opportunity to rectify the defects (by reworking/redelivery). We shall be entitled to select one of these options at our discretion. Subject to the conditions of Section 439(2) of the German Civil Code (Bürgerliches Gesetzbuch), the supplier shall be entitled to reject the mode of rectification selected by us. In urgent cases we shall be entitled to rectify any defect ourselves, or to have such defect rectified by a third party. In particular, an urgent case shall arise where to avoid severe risk or significant damage it becomes impossible or unreasonable to inform the supplier of the damage and to set the supplier a deadline, albeit a short one, to take remedial action. The supplier must be informed immediately of such a procedure. The supplier shall reimburse to us any costs incurred in connection therewith.
4. In the event that compensation is paid in respect of damage suffered, the supplier shall be obliged to compensate us for any damage which we suffer directly and/or indirectly as the result of a defect. This shall also include compensation in respect of consequential damage.
5. Should any procurement risk be assumed and/or a guarantee given, the supplier shall be liable regardless of culpability.
6. The warranty period shall as a rule be three years from the date of the delivery of the goods (transfer of risk). Such warranty period shall be extended correspondingly whenever we are obliged to grant our customers longer warranty periods. Should any claim be brought against us on the basis of any right of recourse within the meaning of Section 478 BGB, the periods stipulated in that section shall apply.

7. In the case of any defects of title for which he is responsible, the supplier shall indemnify us in respect of any third-party claims.
8. As regards parts delivered as replacements during the warranty period, the statute of limitations shall regularly begin to run again from the date of such a substitute delivery. For parts repaired within the warranty period, the restart of the statute of limitations shall only apply to the original defect and the consequences of the reworking. It shall not apply where the supplier expressly and rightfully reserves the right to perform the repair solely out of goodwill, to avoid disputes or with a view to upholding the supply relationship.
9. Should we incur costs as the result of any defective delivery or other defective performance, and in particular transport costs, material costs, labor costs, replacement costs or the cost of an incoming inspection exceeding the ordinary scope, the supplier shall be obliged to reimburse such costs to us.

VIII. Product liability

1. In the event that any claim is brought against us on the basis of product liability or any similar inalienable principles of liability pursuant to any foreign law and regardless of culpability, the supplier shall indemnify us in respect of any such claims brought by third parties, to the extent that the damage is caused by a defect in the delivered goods. The principles of Section 254 of the German Civil Code shall apply accordingly as regards compensation for damage between ourselves and the supplier. This shall also apply in the case of direct claims on the part of the supplier. Where the cause of the damage lies within the supplier's field of responsibility, the supplier must establish he has not acted culpably. As far as any such claims are concerned, the supplier shall waive any right to rely on the statute of limitations for as long as any claim may be brought against us.
2. In the cases described in section VIII. 1, the supplier shall bear all associated costs and expenses. Beyond this, the statutory provisions shall apply.
3. Should we and/or our customers be obliged to make a recall as a result of goods delivered by the supplier and/or we are required to bear the costs of any recall, the supplier shall be required to meet such costs or to indemnify us in respect thereof. This only applies where there is fault on the part of the supplier; the principles of Section 254 of the German Civil Code shall apply accordingly. The supplier must be informed immediately of the procedure or any claim under Sentence 1.

IX. Proprietary rights

The supplier shall ensure that the rights of third parties do not constitute any barrier to the use of the delivered goods for their intended purpose, and in particular that no patents or other proprietary rights are infringed. The supplier shall indemnify us and our customers in respect of all claims which may arise from any use of such proprietary rights.

X. Services

Any persons who carry out works at our premises in the context of the performance of a contract must comply with the provisions of the works regulations applicable to such premises. Liability for any accidents shall be excluded, unless such liability results from the willful or grossly negligent breach by our legal representatives or vicarious agents of any obligation incumbent upon them.

XI. Title to and the provision of information

1. All commercial and technical information provided and made available by us shall, to the extent that it is not demonstrably in the public domain, be treated as

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confidential as far as third parties are concerned. We reserve all of our rights to such information.

2. We shall retain title to all drawings, drafts, samples, specifications, internal company data, tools, facilities, etc. that we have made available to the supplier for the purposes of tendering for or completing an order. Such items shall be retained with the due care and diligence exercised by a prudent businessman and may only be used in connection with our orders. The items which are produced using the material made available by us or on the basis of our confidential information or with our tools or duplicated tools, may not be used either by the supplier itself or be offered or delivered to third parties.

XII. Compliance

1. The supplier is obliged to comply with the relevant legal provisions as regards the treatment of employees, environmental protection, data protection and workplace safety.
2. In the event that a supplier acts unlawfully repeatedly and/or despite appropriate advice, and fails to demonstrate that the contravention of the law has been resolved to the fullest extent possible and that suitable precautions have been enacted to preclude any future violations of the law, we shall reserve the right to rescind existing contractual agreements or terminate such contracts without giving notice.

XIII. Miscellaneous provisions

1. In order to be valid, any ancillary agreements must be in writing. Should a provision hereof be or become invalid, this shall not affect the validity of the remaining provisions.
2. The contract shall be governed exclusively by German law, excluding conflict of laws provisions and the UN Convention on Contracts for the International Sale of Goods.
3. The place of performance shall be the place to which the contract stipulates the goods are to be delivered or at which the service is to be provided.
4. The place of jurisdiction for all disputes which arise pursuant to the contractual relationship shall be Stuttgart. We shall also be entitled to bring proceedings against the supplier before the court of its registered office or before the court of the place of performance.