DOPPSTADT GROUP GENERAL TERMS AND CONDITIONS OF PURCHASE

1. SCOPE, SUPPLIER DECLARATIONS

1.1. Unless otherwise agreed in the individual case, the business relations with our suppliers are exclusively governed by these General Terms and Conditions of Purchase (hereafter referred to as "AEB" (Allgemeine Einkaufsbedingungen)). Any conditions to the contrary or differing from our AEB or supplier's additional conditions shall be excluded unless expressly approved by us in writing. Our AEB shall also apply if we accept the supplier's delivery without reservation in knowledge of the supplier's Terms and Conditions of Sale. In particular, our silence shall not be deemed consent to order confirmations with contradicting contents. The supplier's conflicting confirmations referring to his Terms and Conditions of Sale are hereby expressly rejected.

1.2. Our AEB apply in particular to contracts of sale and/or delivery of movable objects to and/or the performance of services, in particular development services, for us irrespective of whether the supplier manufactures the goods or buys them from subcontractors. The AEB shall be considered as framework agreement even for future contracts of sale and/or delivery of movable objects to and/or the performance of services with the same supplier, even if we do not expressly refer to their validity. The AEB shall apply in the respective current version as amended from time to time. We will inform the supplier immediately of any amendment.

1.3. Our AEB apply to companies pursuant to § 14 BGB, corporate bodies under public law or special funds under public law.

1.4. Individual agreements with our suppliers (incl. side-agreements, addenda and amendments) shall supersede these AEB. Such individual agreements have to be put down in writing or in our written confirmation, which will be decisive for the contents.

1.5. Legally relevant declarations or notifications, which the supplier must issue after conclusion of the agreement (e. g. deadlines, reminders, cancellations), must be delivered to our company management at least in text form to be valid, e. g. per fax, e-mail.

2. OFFERS, ORDER, CONFIRMATION

2.1. The elaboration of offers, cost estimates, plannings etc. by the supplier shall be free of charge and does not impose any obligation on us. We are entitled to keep the documents submitted by the supplier in the course of the offer and use them for internal purposes.

2.2. The offers, cost estimates, plannings etc. have to point out deviations from our inquiry explicitly and highlighted.

2.3. The agreement will only be deemed as concluded after our written order has been sent by fax or by e-mail. The scope of acceptance of the contract shall exclusively be based on such order. Any supplier conditions differing from our order, including, but not limited to changes in quality, prices and/or dates are invalid without our written consent. Payment without reservation or delivery acceptance shall not be deemed to be acceptance of such contrary provisions, conditions or prices. Verbal orders or side-agreements will only become valid with our written acknowledgement.

2.4. Unless otherwise expressly agreed, e. g. in a binding quantity contract, orders, also in case of framework agreements or apportioned contracts, will only become binding upon our call-off orders expressly referred to as binding.

2.5. In case that the agreement, contrary to the above paragraph 2.3, has not already been concluded on the basis of our order, the supplier has to confirm our offers within one week after receipt, at least in text form or, in case of a total net price of the ordered goods under € 500,00, carry out the delivery without reservation by sending the object of the agreement (acceptance). Delayed acceptance is deemed to be a new offer, which requires our acceptance.

2.6. The supplier's order confirmations have to contain the following information:

- Order number, order item, order date and buyer's name
- Doppstadt item number/manufacturer item number
- Binding unit price, quantity and invoice total
- Binding date of delivery to the delivery address
- Technical specifications.

3. SCOPE OF SUPPLY AND SERVICES, DELIVERY

3.1 Unless otherwise expressly agreed in writing, the object of agreement must comply with all legal requirements, ISO and DIN standards, Doppstadt standards and drawings etc., the latest state of the art and with the performance data as well as other characteristics contained in our order or our offer. Samples, specimens and descriptions delivered by the supplier are not binding for the scope of supply and services unless expressly approved by us.

3.2 On our request, the supplier has to make the results of the supplier's activity available to us, incl. their precursors, including, but not limited to drafts, sketches, drawings (e. g.

construction and production schedules), descriptions and samples, on our request also without logo or other references to the supplier, either neutral or with Doppstadt logo at our option, so that we can use them without reference to the supplier.

3.3 We may require modifications of the object of agreement regarding construction, workmanship and order quantities. In this case, the effects have to be settled by mutual agreement, in particular regarding additional or reduced costs as well as delivery dates.

3.4 If a mutual agreement cannot be reached in case of a modification request pursuant to the above paragraph 3.3 we are entitled to terminate the agreement also in case of sales agreements, in particular regarding the delivery of fungible goods.

3.5 In case of call-off orders the above paragraphs 3.3 and 3.4 shall apply accordingly with regard to delivered quantities not yet called off, whereas termination pursuant to paragraph 3.4 only refers to the part, which has not yet been called off.

3.6 The scope of supply and services includes the complete documentation and technical description of the object of agreement, in particular including, but not limited to all the technical documentations, documents, description, certificates, approvals, declarations, instructions, records and acceptance test records etc, which are required by law, regulation, directive, in particular by the machine directive, or other provisions and/or specified in our order or our offer.

3.7 Without our prior written consent, the supplier may not

3.7.1 transfer rights or obligations of this agreement to third parties and/or
3.7.2 place sub-orders with reference to the object of agreement.

We are free to consent accordingly, provided that we are furnished with sufficient proof of the conclusion of a nondisclosure agreement according to paragraph 16 below with the third party in question, and such agreement has to be delivered on our request.

3.8 On our request, the supplier will inform us about the supplier's own and licenced published and unpublished property rights and pending property rights to the object of agreement in existence or used by the supplier. The supplier warrants that the object of agreement as well as samples, specimens, models, drawings, descriptions and documentation, which the supplier supplies, are free of rights of third parties and that no third party right, including but not limited to property rights, will be infringed by our use according to the agreement of the object of agreement. In case of infringement on such rights the supplier will exempt us from claims for damages of third parties on first written request and has to indemnify us from any expenses arising necessarily from or

in connection with claims laid by third parties. This does not apply if the supplier proves that the he is not responsible for the infringement of third party rights.

3.9 We are neither obligated to take over nor to pay partial deliveries, short deliveries and/ or excess deliveries, which have not been agreed upon. The supplier has to reimburse us from any additional costs and/or expenses resulting from such deliveries. Paragraph 5.9 shall apply accordingly.

3.10 The supplier expressly agrees that we distribute the products he delivered worldwide, also if they are incorporated, connected or processed.

3.11 The supplier may not exercise rights of offset, lien or detention unless the claims the supplier asserted have been recognised by final court decision or are uncontested.

4. QUALITY / DOCUMENTATION

4.1 The supplier performs all deliveries and services in compliance with all the relevant legal, governmental and occupational health and safety regulations of the trade associations regulations, provisions, directives and other rules, in particular labour law and the law on protection of the environment and customs-relevant regulations and applicable safety regulations, in particular the machine directive, as well as in compliance with all the agreed special quality assurance measures such as set out in quality assurance agreements, quality demonstration records etc. The supplier shall inform us immediately of any changes to such rules or regulations.

4.2 The supplier will participate in all measures we have to take in order to ensure the conformity of the objects of agreement, their parts and the products, in which they are incorporated and to obtain or grant permits, approvals, certificates, registrations, certificates of non-objection, registration numbers, and comparable certificates in this regard, which are required, for example, for import, export, road registration etc, particularly in order to exercise all the auditing, documentation and registration duties in connection with certificates of conformity, e. g. of engines, to provide us with all the information and documents available to the supplier and to support us to the best of the supplier’s ability in the fulfilment of the requirements.

4.3 Irrespective of our further contractual or legal rights, the supplier shall be liable for any damages resulting from breach of the obligations pursuant to paragraphs 4.1 and 4.2 and will exempt us comprehensively from any disadvantages and claims of third parties. Furthermore, we have the right to terminate the agreement with the supplier without notice in case of breaches unless these breaches are irrelevant. In this case, the supplier has to cease these irrelevant breaches immediately after a corresponding written warning.

4.4 If necessary, we have the right to request the supplier to adopt and observe a quality management and assurance system.

4.5 If the kind and the extent of the inspection, the test equipment, test methods and documentations have not been agreed upon, the inspections have to be carried out so that they ensure a sustainable quality assurance and/or improvement, which can be documented and retraced.

4.6 Unless otherwise agreed, the supplier's quality assurance and documentation have to comply with the acknowledged rules of the ISO standards (quality control and assurance) and the respective VDA provisions for documentation procedures. The supplier shall keep documentations and other records, which concern the object of agreement, for 10 years after the delivery.

4.7 For items, which are especially marked in the technical documents or in a separate agreement, in particular the safety relevant parts, component groups, functional units and systems, the supplier has to keep individual records stating when, how and by whom the delivery items have been inspected and the results of the required quality tests. The inspection documents must be marked with distinguishing marks (e. g. serial number). They are an essential part of the scope of delivery and must be submitted to us on request. The supplier has to commit the sub-suppliers to the same extent within the scope of legal possibilities.

4.8 On delivery to us the supplier assumes in particular the essential contractual duty to comply with all the requirements and to take all the measures resulting from the REACH regulation (Regulation EG No. 1907/2006) as amended at the time of delivery, including, but not limited to the registration, approval, notification, transfer of all the necessary information etc. If the supplier's registered office is out of the European Union and the supplier is not importer of the object of agreement, the supplier will appoint a natural person or a legal entity by mutual agreement who as the supplier's sole agent comply with the importers' duty according to the REACH regulation, including, but not limited to the registration, approval, notification and transfer of all the necessary information, etc.

4.9 If by way of exception, we expressly agree with the supplier that we shall be responsible for the compliance with all the requirements and to take all the measures resulting from the REACH regulation, it is the supplier's essential contractual duty (i) to submit us all the information required for the notification, registration, approval or maintenance of the approval and the fulfilment of the information duty according to the REACH regulation as amended at the time of delivery and (ii) to support us appropriately in these measures. The supplier will make all the information available, which is sufficient

for a safe use and as required for the notification of the ECHA, in particular for the delivery of products, which contain more than 0.1 weight % (w/w) of one or more substances, which meet the criteria of article 57 of the REACH regulation and which have been identified according to article 59 section 1 of the REACH regulation.

4.10 Regardless of further claims, a breach of the conduct or information duties described in the above paragraphs 4.8 and 4.9 according to the REACH regulation entitles us to the rescission of the agreement. Furthermore, the supplier shall exempt us from any third party claims, which are based on a breach of the above mentioned duties by the supplier.

5. DELIVERY DATES

5.1 The delivery period quoted in the order is binding.

5.2 The supplier has to inform us immediately in writing about occurring or visible circumstances, which result in the non-observance of the required delivery period. In this case, he has to agree with us on another binding delivery date. The arrangement of such a new delivery date does not prevent the event of delay in delivery in reference to the original stipulated delivery date.

5.3 If the supplier fails to perform services or to perform services within the stipulated delivery time or is in default our rights shall be regulated by the statutory provisions.

5.4 Delay in delivery shall, furthermore, entitle us to a delay flat rate compensation amounting to 0.3 % of the total order amount per full day of default, however not more than 5 % of the total order amount of the goods delivered behind schedule. We reserve the right to prove that the resulting damage is higher. The supplier shall have the right to prove that no damage or a much lower damage has resulted from the delay.

5.5 If the supplier exceeds the delivery date we also reserve the right to require delivery and claim damages for delay or to claim damages instead of the performance and/or to rescind from the agreement without prejudice to other legal claims or the rights pursuant to paragraph 5.4. The supplier cannot claim that he is not responsible for the delay unless the supplier has informed us on the grounds of such delay immediately upon obtaining knowledge of such grounds.

5.6 If a delivery has been expressly been agreed as fixed-time transaction we are entitled to rescind the agreement immediately in case that the stipulated deadline is not observed and to claim for damages in case of the supplier’s fault. A reminder or a notice period is not required. The acceptance of late deliveries does not imply a waiver of claims for

compensation and further claims for damages. The supplier shall not be liable if we have failed to supply required materials in time or in sufficient quantities.

5.7 Without prejudice to the approval requirement pursuant to the above paragraph 3.7, the delays, for which sub-suppliers of the supplier are responsible, shall be deemed to be the supplier's responsibility.

5.8 Deliveries ahead of time require our prior explicit consent and do not affect the stipulated term of payment.

5.9 We have the right to return goods, which have been delivered ahead of time without our consent, at our option to the supplier or to store them on the supplier's expense.

6. TRANSPORT/ DISPATCH/ TRANSFER OF RISK

6.1 Delivery and dispatch are carried out at the supplier's risk DDP according to the Incoterms 2010 to our business address or to the place of delivery specified by us (place of performance).

6.2 In case of delivery of dangerous goods, the supplier shall bear the full risk for compliance with the corresponding legal provisions, such as marking, packaging, the use, proper completion, submission and entrainment of the required forms etc.

6.3 The shipping documents must state the order number and date, ident-no., quantity and short description of the delivered goods. The supplier has to comply with the regulations applicable at the place of use of the delivery, including, but not limited to the prevention of accidents, environmental protection and machine safety etc.

6.4 Unless otherwise agreed, the goods to be delivered have to be delivered according to the legal provisions, in customary, appropriate and marked packages and secured, or according to our instructions, in an original Doppstadt package. The supplier is liable for damages and/or other detriments to us or third parties due to insufficient packaging, unless we are responsible for these damages and/or other detriments.

6.5 The risk of accidental perishing and of accidental degradation of the object of agreement shall not be transferred to us until the handover at the place of performance. If acceptance has been agreed, such acceptance is decisive for the transfer of risk. If the installation of the object of agreement by the supplier has been agreed upon, the risk of accidental perishing and of accidental degradation of the object of agreement shall not be transferred to us until commissioning and approval free of faults in our factory and/or at the specified delivery address. In all other respects the statutory provisions for

acceptance of the law on contracts for works and services (Werkvertragsrecht) apply accordingly.

6.6 In case of delay in acceptance on our side the statutory provisions shall apply. The supplier has to offer us the supplier's service explicitly even if our cooperation or action (e. g. provision of material) has been agreed for a fixed or determinable calendar time. In case of delay in acceptance on our side, the supplier has the right to claim compensation for additional expenses (§ 304 BGB). If the contract refers to a non-fungible item to be manufactured by the supplier, the supplier shall not be entitled to further rights unless we have obligated ourselves to co-operation and we are responsible for the failure to co-operate.

7. SUPPLIER'S SPECIAL DUTIES

7.1 The supplier has to examine our inquiries, offers, orders and/or call-off orders (hereafter referred to as „Inquiries"). If during the examination of the Inquiry or attached documents, during the construction, production or examination of the objects of agreement, the descriptions or requirements of the Inquiry, the contractual agreements or specification turn out to be incomplete or otherwise incorrect the supplier has to inform us immediately at least in text form and, as required and within reason, submit proposals for remedies. In case of other ambiguities regarding Inquiries or the execution of the agreement, the supplier has to contact us immediately to remediate them. The supplier has to bear the additional expenses and costs resulting from ambiguous statements in Inquiries or with reference to the execution of the agreement, which are not/have not been clarified with us before the execution.

7.2 If the supplier fails to provide these notifications and/or inquiries, we shall also be entitled to warranty claims if due to this failure, damages occurred to the object of agreement. Claims for damages for other reasons shall remain unaffected.

7.3 Furthermore, the supplier has to inform us immediately during the offer stage and, if such circumstance become known later, during the stage of execution of the agreement, of higher risks in connection with the object of agreement, such as discontinued products, introduction of new models, inappropriate usability, higher wear, higher project outlay, higher maintenance and/or repair costs etc. If such circumstances become known after the conclusion of the agreement we have the right to withdraw from the contract and as the case may be, solicit a new quotation on other terms.

7.4 If the supplier breaches the obligations of notification or information pursuant to the above paragraphs 7.1 and 7.3, i. e. the corresponding information or inquiry are not provided or not provided in time, the supplier has to indemnify us for all the damages due to the breach of this information or notification duty and put us in a position as if

such duty had been duly fulfilled and/or to hold us harmless from any resulting third party claims.

7.5 By submitting a quotation, the suppliers assures us of the security of supply (new delivery, spare parts etc) during a period of at least ten years from the delivery of the object of agreement. If the supplier is not able to assure this security of supply at the time of quotation or at a later time, he has to inform us explicitly and clearly about this fact.

7.6 The supplier has to inform us unsolicited of any possible enhancements, developments of the technical state of the art and other constructive changes of the object of agreement.

7.7 The supplier agrees to inform us without further request if the object of agreement is subject to limitations by foreign trade legislation in the Federal Republic of Germany, the European Union or at the place of use of the delivery. If required, the supplier commits himself to obtain all the certificates of non-objection of the competent authorities with the order confirmation and to assure the handing over of these certificates on delivery.

7.8 If required, the supplier has to prove the statements concerning the origin of goods by means of an information sheet confirmed by the supplier's customs office. This certificate must be submitted with the first delivery at the latest.

7.9 The supplier must notify us immediately and without further request of the origin of newly introduced objects of agreement or changes of origin. The supplier shall be liable for any prejudice resulting from improper or late delivery of the supplier's declaration and has to hold us harmless from any third party claims on our first request.

8. AUDIT RIGHTS

8.1 Independent of further audit rights agreed upon beyond this agreement, the supplier shall grant us the right to convince ourselves of the proper performance of the contractual duties, in particular the contractual execution of the goods/services, in particular in relation to quality, capacity and delivery periods at any time within the working hours, even on the suppliers premises or at another production site, if any. On our request, we have to be provided with the documents and files, which are necessary for this examination.

8.2 If any authority, competent e. g. for safety, exhaust gas regulations or similar, asks us for insight into the production process and the supplier's inspection documents in order

to control certain requirements the supplier agrees to grant such authorities the same rights in his plant and to provide reasonable support.

8.3 If we have agreed with the supplier on the implementation of and adherence to a quality management and assurance system the supplier shall allow us, furthermore, to find out by audits pursuant to paragraph 8.1 if the quality assurance measures meet our requirements. After prior notification the audit can be carried out as a system, process or product audit.

8.4 We will announce the visits of our representative giving a reasonable 4 days‘ notice. If we have reason to believe that there are quality issues or other difficulties in the production or delivery of the object of agreement this period shall be reduced reasonably.

8.5 We will try to reduce disturbances of the supplier’s business operations to a minimum during the audits. In particular, we will take into account general regulations for the access to rooms and carry out the audit in such a way as not to infringe the supplier’s business secrets or business secrets of third parties, to whom the supplier is bound to secrecy. In case of danger of infringement of such business secrets the parties shall take measures to protect these business secrets and to commit at least the employees or agents carrying out the audit to secrecy by non-disclosure agreements.

8.6 The provisions of the above paragraphs 8.1 - 8.5 shall apply accordingly to audits at third parties with whom the supplier has placed an order or from whom the supplier receives goods for the production of the object of agreement. The supplier has to commit these third parties accordingly in the contractual agreements between them.

8.7 We will not compensate the supplier for any costs resulting from the audit.

8.8 The supplier’s warranty shall remain unaffected also in case of the conduct of inspections or audits.

9. PRICES/TERMS OF PAYMENT

9.1 The price quoted in the order shall be binding. In the absence of differing contractual agreement, the price shall include delivery, duty paid, according to DDP Incoterms 2010 including packaging. The return of packages requires a separate agreement.

9.2 If we agree contractually to pay the freight costs by way of exception the supplier has to choose the kind of transport we prescribe, otherwise the kind of transport, which is the

most favourable for us. Doppstadt is a customer exempted from forwarding, logistics and warehousing insurance (SLVS-Verbotskunde).

9.3 We are only able to process invoices if they are submitted in duplicate, including our order no., item no. and no. of the delivery note, otherwise, we cannot allocate such invoices. The supplier is responsible for any consequences resulting from non-observance of this provision unless he proves he is not at fault for such non-observance.

9.4 The time we are allowed for payment commence on the day, when we receive the object of agreement complete and free from defects, including the documentation to be handed over and we have been provided with a proper invoice according to paragraph 9.3. Our payments will be made two weeks after receipt less 3 % cash discount or net within 30 days.

9.5 For the calculation and payment of the deliveries, only the weight or the quantity weighed or ascertained at the goods receiving/unloading point is decisive. Sketches, drawings and specimens will not be paid unless otherwise agreed.

9.6 In case of deficient deliveries we have the right to retain the corresponding part of the payment until the performance according to specification.

9.7 The supplier may only quote prices and conditions that are not subject to a pool or otherwise the subject of price-fixing or fixing of terms and conditions. If a final decision of a court or an antitrust authority states that the supplier was involved in price-fixing or in an allocation of customers or that the supplier has filed an application in the leniency program due to such agreements, the supplier has to pay liquidated damages amounting to 2 % of the invoice amount, we have paid for the products and the periods affected by the price-fixing or the allocation of customers. The amount has to be paid with interest at the rate of 5 % above the basic interest rate. We have the right to prove that the damage has been higher. The supplier has the right to prove that there has been no or a lower damage, in particular by passing on the damage to downstream markets.

9.8 We reserve the right to pay the supplier’s invoices by discountable bills; we will bear all the related costs and expenses.

9.9 The assignment of receivables against us shall only be valid with our written approval. The assignment of receivables against us within the scope of customary factoring are excepted from this provision.

9.10 We are entitled to lien and set-off rights within the limits of statutory regulations.

10. <u>RIGHTS TO DEVELOPMENT ACHIEVEMENTS AND WORK RESULTS</u>

10.1 If the supplier is commissioned to perform services for us, which create tangible or intangible assets, in particular by developing new or enhanced products ("Development Services") only we are entitled to all the complete or incomplete results, including partial and intermediate results in any objective, written, unembodied form created by the execution of such development by the supplier and to all the rights thereto or they shall be transferred to us when the agreement is concluded even in view of future results. This also applies to any written or other information, including, but not limited to concepts, documents, electronical data, copies, sketches (e. g. construction and production drawings), descriptions, designs, specimens, prototypes, technical improvements, summaries, experiences, procedures and processes (in the following referred to as „Work Results"), including all the existing rights thereto, in particular industrial property rights, patent and copy rights, the know-how, rights to inventions, other creative achievements and any other intellectual or industrial property rights or comparable rights (in the following referred to as "Rights to Work Results").

10.2 Unless otherwise agreed we are exclusively entitled to apply for industrial property rights for the Work Results in our name. The supplier will provide us with all the information required for the application and maintenance of the property rights and refrain from anything that is prejudicial for the grant and maintenance of the property rights.

10.3 If the rights to Work Results are nor immediately transferable for legal reasons, but only licensable, the supplier shall transfer us the exclusive, irrevocable, unlimited in regard of content, time and place, transferable and sub-licensable right to use and utilize the Work Results comprehensively for any purpose. This right of utilization includes in particular the right to copy, distribute the Work Result, play them back in public and make them available to the public in any known type of use, including the right to process, redesign and develop the Work Results and the use of the resulting products to the above mentioned extent. The right to utilize the Work Results ourselves or by third parties for our own or other, even commercial, purposes, including further processing, production, distribution, utilization and any use of the objects of agreement, development achievements and Work Results is also included.

10.4 As far as previous know-how of the supplier is inseparably connected to development achievements pursuant to the above paragraph 10.1 and/or required for the use of the objects of agreement, Development Services and/or Work Results, the supplier herewith grants us the non-exclusive, irrevocable, unlimited in regard of content, time and place, transferable and sub-licensable right to use and utilize the previous know-how insofar as it is necessary and/or useful for the use according to the above paragraph 10.3.

10.5 Before the start of development activities, the supplier will make valid and sufficient arrangements with the supplier's employees (including researchers, representatives, consultants, sub-contractors and freelancers) and take all the required measures to ensure the transfer of the Work Results produced by this group of people and the rights to the Work Results to us. The supplier shall, in particular, make an unlimited claim on the inventions capable of patent and/or utility model protection. In this respect, the supplier shall hold us harmless of any claim for remuneration or other claim for payment of the employees in connection with the Work Results and the rights to the work results.

10.6 All the Work Results including copies, transcriptions or similar and all the items or documents concerning the Work Results and which the supplier produces during the development performance shall become pour property as soon as they are generated.

10.7 The supplier shall be granted a simple, untransferable and not sub-licensable right to use the Work Results for the contractual cooperation with us limited to the duration of the contractual cooperation with us. The supplier is not allowed to further use, utilization or surrender of the Work Results to third parties.

10.8 The supplier is obligated to treat the Work Results as strictly confidential according to paragraph 16 below. Irrespective of the duties according to paragraph 16 below, the supplier is obligated at any time to deliver the Work Results and all the items or documents concerning the Work Results on our request within the time we stated and/or to destroy them on our request. The complete delivery or destruction must be confirmed by the supplier and proven on our request.

10.9 The provision of the above paragraphs 10.1 - 10.8 shall apply accordingly if developments are generated during the performance delivery without the supplier having been expressly charged with development performances.

10.10 The non-disclosure provisions of paragraph 16 below shall remain unaffected.

11. <u>USE OF DOPPSTADT KNOW-HOW</u>

11.1 If we provide the supplier with

(i) Industrial property rights,

(ii) Secret technical knowledge or production methods or

(iii) Drafts, plans or other documents elaborated by or for us or punches, forms or tools and their accessories, which are not protected by industrial property rights and not of secret kind, but with the help of which products can be manufactured, which are different from other manufactured products or products on the market in shape, function or composition

in order to fulfil his contractual duties (these provided property rights, knowledges, production methods and equipment, hereafter referred to as „Doppstadt Know-How“) the following shall apply to this Doppstadt Know-How and to the products manufactured, services or work performed with the help of this Doppstadt Know-How:

11.1.1 The supplier may only use the Doppstadt Know-How for the execution of the agreement between us and the supplier (in the following referred to as „Purpose of Agreement”) and may not use the Doppstadt Know-How for other purposes, in particular not for deviating, supplier’s own commercial purposes, nor hand it over or make it available to third parties. The products manufactured, services or work performed with the help of Doppstadt Know-How may not be accomplished unless for us and on our account and exclusively for the execution of the Purpose of Agreement, the supplier is not allowed to perform services, sell or otherwise transfer them to third parties. They may not be used for the supplier’s other commercial purposes, especially not for the performance of deliveries and services to third parties.

11.1.2 The supplier is not allowed to utilize the Doppstadt Know-How, also not after execution of the agreement, until it has become common knowledge.

11.1.3 If the supplier develops technical enhancements during the time of the contractual cooperation, the supplier has to disclose them to us on an exclusive basis or to issue exclusive licenses on the enhancement or utilization patent to us during the duration of the basic patent in case of patentable inventions. In such cases, the supplier is neither allowed to use or utilize the technical enhancements nor to exploit or to cede them to third parties for the supplier’s own or third-party purposes. If the enhancements or inventions developed by the supplier during the duration of the contractual cooperation can be utilized without using the Doppstadt Know-How, the supplier has the right to disclose them to us on a non-exclusive basis or to issue non-exclusive licenses. The supplier shall bear the burden of proof that the use of the supplier’s enhancement or invention can be utilized without using Doppstadt Know-How.

11.1.4 As far as the supplier has the right to use our brands, trade names or a certain design within the scope of the contractual agreement the supplier shall not have the right to use them for products, services or work, which are not destined for us.

11.2 If we transfer Doppstadt Know-How to the supplier the limitations of the above paragraph 11.1 shall apply irrespective of whether a contractual agreement is concluded between the parties and irrespective of its termination, until the Doppstadt Know-How has become common knowledge.

11.3 The limitations of the above paragraphs 11.1.1 - 11.1.3 shall not apply if the supplier already disposes of the knowledge and/or production equipment independent of the cooperation of the parties or if the supplier can acquire them under adequate conditions.

11.4 The non-disclosure provisions pursuant to paragraph 16 below shall remain unaffected.

12. TOOLS, OTHER ITEMS AND DOCUMENTS

12.1 As far as the supplier uses tools, devices, machines or other production equipment (hereafter referred to as „Tools"), which we have supplied, paid in full, developed and/or which have been designed and adjusted on the basis of our knowledge and experiences the following provisions shall apply:

12.1.1 Unless otherwise agreed in writing we shall be transferred the property and the unrestricted right of utilization of Tools as soon as the Tools are produced and the procedures are used unless they are already our property. Instead of handing over the Tools, supplier will store them for us free of charge.

12.1.2 The supplier has to take inventory of the Tools at least once a year and to provide us with the results and at least once a year with the insurance policy of the insurance of the Tools.

12.1.3 The Tools must be provided with a captive label indicating clearly that they are our property. The supplier has to store the Tools for us free of charge and carefully, insure and maintain them sufficiently so that they can be used anytime. Upon termination of the agreement, supplier's production difficulties or failure of agreement between the supplier and us concerning the prices of the items to be produced with the Tools, we have the right to require delivery of the Tools immediately. Rights of detention on the part of the supplier are excluded.

12.1.4 Unless otherwise agreed by separate agreement, even Tools, to which the above provisions according to paragraph 11.1 are not applicable anyway, may only be used and applied for our orders. They may not be used and applied for other purposes, in particular for the supplier's other commercial purposes, especially not for the performance of deliveries and services for third parties, nor be handed over or otherwise made available to third parties.

12.1.5 If we make Tools available to the supplier, the supplier is not entitled to gather information about their construction, manufacture or production by observing, examining, disassembling or testing them (hereafter, these measures jointly

referred to as „Examination Measures“ or „Reverse Engineering“), unless they have already been made publicly available. If Examination Measures are carried out for other purposes generating information about the construction, manufacture or production of the Tools the supplier is not entitled to use or disclose this information. In such cases, the supplier ha to inform us immediately.

12.2 The provisions of the above paragraph 12.1 shall apply accordingly if we have paid, developed or designed or adjusted according to our knowledge and experience the Tools only in part. Depending on the extent of our share, we acquire co-ownership according to the above paragraph 12.1.1. We shall always have the right to acquire full ownership of the Tools against payment of the proportional current value (current value of the supplier’s co-ownership share). By exercising this right, we shall be fully entitled to the rights as specified in paragraph 12.1.

12.3 If we provide the supplier within the scope of the conclusion of the agreement with illustrations, drawings, specimens, calculations, substances, materials, other items and/or documents (in the following referred to as „Provided Items“) they shall remain our property. For this kind of Provided Items, the duties pursuant to paragraphs 12.1.3 - 12.1.5 shall apply accordingly.

12.4 Processing, mixing or connection of Provided Items (further processing) by the supplier shall be carried out for us. We will acquire the property in the resulting product at the time of further processing at the latest in compliance with the statutory provisions.

12.5 The non-disclosure provisions pursuant to paragraph 16 below shall remain unaffected.

13. BREACH OF DUTY DUE TO DEFECTS

13.1. According to the circumstances and the principles of a proper course of business and in consideration of a due and careful outgoing goods inspection and quality assurance control by the supplier, our inspection duty is limited to clearly visible defects, such as, evident outward damages and differences visible from outside of the objects of contract in respect of identity and quantity. We will give notice of such defects immediately. Beside such defect, we will only carry out random inspections of the objects of agreement. We will give notice of defects as soon as they have been detected under the circumstances of a proper course of business. To this extent, the supplier waives the right to claim late notice of defects. This applies in particular to defects, which only appear during assembly, if we give notice of defects immediately after they have been detected.

13.2. In any case, the notice of defects is in good time if it is received by the supplier within 5 working days after the receipt of goods or in case of hidden defects, after the day of detection.

13.3. We shall be unreservedly entitled to all claims and rights arising from statutory law; we are entitled to demand from the supplier as remediation of defects at our discretion repair of the defect or delivery of new goods. In this case, the supplier has to bear the all expenditures necessary for remediation of defects or the replacement delivery. The supplementary performance also includes the removal and disassembling of the defective goods and the installation of the items free from defects if the items have been installed in another item or mounted to another item according to their intended use. We expressly reserve the right to claim for damages, in particular the right to compensation instead of performance.

13.4. In consultation with the supplier, we have the right, on the supplier's costs to sort out defective parts, to return them to the supplier or to scrap them.

13.5. If the supplier fails to comply with the duty of supplementary performance within a stipulated and reasonable period we are entitled to remedy the defect ourselves („substitute performance") and to demand compensation for the expenditures or a corresponding advance payment from the supplier. A reminder with fixing of a period of time for the supplementary performance is not necessary if the supplementary performance by the supplier has failed or if it is unreasonable for us, e. g. if due to utmost urgency it is no longer possible to fix a period of time due to the deficient delivery, to a threat of the operating safety or to the risk of excessive damages. In such circumstances we will inform the supplier immediately, as far as possible in advance.

13.6. Subject to the provisions of the following paragraph 14. of these AEB, the period of limitation for claims for defects is 36 months after delivery of the item. Longer statutory periods of limitation or periods of limitation agreed upon by individual agreements shall remain unaffected.

14. SUPPLIER'S RECOURSE

14.1. We are full entitled to statutory recourse claims within a chain of supply (supplier's recourse according to §§ 445a, 445b, 478 BGB) in addition to our rights to claim for defects. Our right to choose pursuant to paragraphs 13.3 and § 439 section 1 BGB shall remain unaffected. We are in particular entitled to request exactly the kind of supplementary performance (remediation or replacement) from the supplier, which we owe to our customers in individual cases.

14.2. Before we accept or meet a claim by our customer (including reimbursement of expenses according to §§ 445a section 1, 439 sections 2 and 3 BGB) we will inform the supplier and with a short description of the facts of the case we will ask for a written statement. Unless the statement is made within a reasonable period and a mutual agreement is reached, the right to claim for damages actually granted shall be deemed to be owed to our customer. In this case, it rests with the supplier to submit counter-evidence.

14.3. We shall also be entitled to the claims arising from the supplier's recourse if we or another contractor have processed the defective goods, e. g. by installation into another product.

15. PRODUCT LIABILITY, RELEASE FROM LIABILITY, LIABILITY INSURANCE

15.1. The supplier bears responsibility for the product liability for the object of agreement within the scope of statutory regulations and the following provisions.

15.2. If the supplier is responsible for damages to a product the supplier must hold us harmless from third parties' claims for damages on our first demand insofar as the cause lies in the supplier's domain or organisational area and the supplier is liable towards third parties.

15.3. Within the scope of liability for damages pursuant to paragraph 15.1, the supplier is also obliged to reimburse any expenditures according to §§ 683, 670 BGB or according to §§ 830, 840, 426 BGB, arising from or in connection with a product recall campaign carried out by us. As far as possible and reasonable, we will inform the supplier about the content and the extent of the recall measures and give the supplier the opportunity to comment. Our further statutory claims against the supplier shall remain unaffected.

15.4. The supplier agrees to maintain a product liability insurance with an all-inclusive 5 million EURO coverage per damage to person/property until the defect limitation period for the delivered item has expired; if we have further rights to claims for damages, these rights shall remain unaffected.

16. NON-DISCLOSURE

16.1. The supplier has to treat the Doppstadt business secrets specified in the following paragraph 16.2. as strictly confidential and may only obtain, use or disclose them exclusively in compliance with the following provisions and subject to the provisions of paragraph 16.8 below. The supplier is not entitled to any further obtainment, use or

disclosure of the Doppstadt business secrets for the supplier's own or third party purposes.

16.2. Our business secrets are pieces of information in the terms of § 2 of the Business Secret Act (hereafter referred to as „Doppstadt Business Secrets").

16.3. Unless otherwise agreed in writing, the supplier shall not be allowed to obtain, use or disclose Doppstadt Business Secrets unless it is necessary for the execution of the Purpose of Agreement.

16.4. In case of inventions or creations made by the supplier in view of Doppstadt Business Secrets or independent of Doppstadt Business Secrets, the supplier has to inform us immediately. Otherwise, the supplier will not be able to claim that these are independent inventions or creations made by him.

16.5. The supplier is not allowed to gain Doppstadt Business Secrets by carrying out examinations pursuant to the above paragraph 12.1.5 of the products or items which are in his legal possession and have not yet become publicly available (prohibition of Reverse Engineering). The supplier agrees not to carry out any examination measures to gain Doppstadt Business Secrets. If examination measures are carried out for other purposes and Doppstadt Business Secrets are gained hereby, the supplier may not use or disclose them. In this case, the supplier has to inform us immediately and we will agree with the supplier whether further protection measures are required for the Doppstadt Business Secrets.

16.6. As a protection from examination measures, the supplier agrees furthermore not to hand over Doppstadt products or other items, which could reveal Doppstadt Business Secrets when examined, to third parties or to grant access to these products or items to third parties without our explicit consent.

16.7. The provisions of the above paragraphs 16.5 and 16.6 shall apply accordingly to Doppstadt products or items, which have been made publicly available.

16.8. Unless otherwise provided in the above paragraphs 16.4, 16.5, 16.6 and 16.7, the actions permitted according to § 3 GeschGehG remain unaffected. Likewise, the restrictions of the scope of application in § 1 sections 2 and 3 GeschGehG and the exceptions according to § 5 GeschGehG also remain unaffected.

16.9. If the supplier is obliged to disclose Doppstadt Business Secrets due to statutory provisions, judicial or legal orders or due to stock market regulations, he has to, as far as legally possible, inform us immediately in writing and to use and to take all reasonable

measures to limit the extent of disclosure to a minimum and to support us if necessary to obtain a protection order against the disclosure of Doppstadt Business Secrets.

16.10. The supplier has to impose the limitations pursuant to the above paragraphs 16.1 to 16.9 to his employees and to ensure their compliance by suitable measures. The supplier may only disclose the Doppstadt Business Secrets to those employees who rely on the knowledge of Doppstadt Business Secrets to execute the Purpose of Agreement (need to know) and who have assumed an obligation corresponding to these non-disclosure regulations prior to disclosure. Such limitations shall also apply to assistants and vicarious agents if the supplier is allowed to appoint them according to our contractual agreements.

16.11. The supplier has to take appropriate technical and organisational measures in order to protect the Doppstadt Business Secrets sufficiently against unauthorized obtainment, use and disclosure. In particular, the supplier has to ensure the required and appropriate access, admission, and separation controls, pseudonymization, transfer, input and availability controls, data protection management measures, incident-response-management and order controls.

16.12. The provisions set out in the above paragraphs 16.1 - 16.11 shall apply accordingly to business secrets of our affiliated companies to which the supplier gains access due to or on the occasion of the cooperation with us.

16.13. Unless otherwise expressly agreed in writing, by the access to Doppstadt Business Secrets, the supplier will not obtain any ownership in, license and/or no other right of utilization of Doppstadt Business Secrets except the right of use for the respective Purpose of Agreement.

16.14. The supplier agrees to return or to destroy at our discretion all the Doppstadt Business Secrets remaining with the supplier, the supplier's employees or assistants or vicarious agents immediately on our request or without special request at the latest after having achieved the Purpose of Agreement, this obligation applying to the originals and to any kind of copy, unless other retention obligations agreed upon with the supplier or statutory retention obligations are opposed, and to confirm the destruction of the Doppstadt Business Secrets on request immediately in writing.

16.15. The destruction of electronically or otherwise stored Doppstadt Business Secrets is carried out by complete and irrevocable erasure of the data or irrecoverable destruction of the data storage medium. Complete and irrevocable erasure means the electronically stored business secrets are erased so that any access to this information will be impossible whereby special erasure procedures have to be used (e.g. by means of "wiping") that meet the approved standards (e. g. the standard of the Federal Agency

for Information Security). The erasure of these data has to be confirmed on request immediately in writing.

16.16. For any breach of the obligations arising from the non-disclosure provisions by the supplier, the supplier's employees or other vicarious agents or assistants, the supplier has to pay us a reasonable amount as contractual penalty (strict liability – liability without fault) and we will determine the amount at our reasonable discretion in terms of § 315 BGB and the appropriateness of the contractual penalty can be examined by the competent court in case of litigation. We reserve the right to claim for further damages, whereas the contractual penalty will be offset against a possible compensation for damages.

16.17. Doppstadt Business Secrets are in particular also such secrets, which have been referred to as business secrets in special agreements with the supplier.

16.18. The provisions of the above paragraphs 16.1 - 16.16 shall apply accordingly to the Doppstadt Know-How pursuant to the above paragraph 11.1 and to all the information in view of Development Services and Work Results pursuant to the above paragraph 10 and Tools pursuant to the above paragraph 12.

16.19. The provisions of the above paragraphs 16.1 - 16.16 shall also apply to information from Doppstadt, which (i) is neither generally known nor readily available to the persons in the circles who usually deal with this kind of information, neither as a whole nor in the particular order and composition of its components, and therefore is of economic value and (ii) whose secrecy is of legitimate interest, as far as the information

a. is the object of non-disclosure measures by Doppstadt
b. has been classified as confidential or has to be considered as confidential due to the kind of information or the circumstances of transmission

(in the following referred to as „Confidential Information")

or

c. becomes known to the supplier due to the business relation to Doppstadt and/or the supplier gains access to it in connection with the negotiation and execution of contractual agreements with Doppstadt

(in the following referred to as „Information to be treated as confidential").

16.20. The non-disclosure obligation for a piece of information pursuant to the above paragraphs will end when the supplier proves that this piece of information becomes known to the public or is readily available or Doppstadt has no further legitimate interest in its secrecy.

17. APPLICABLE LAW

All the legal relations between us and the suppler shall be governed by and construed in accordance with the German laws to the exclusion of the provisions of the United Nations Convention on Contracts for the International Sale of Goods from 11.04.1980 (CISG).

18. VENUE, PLACE OF PERFORMANCE

18.1. Unless otherwise expressly agreed in the contractual agreements with the supplier, the place of performance for all the deliveries and payments shall be the head office of the ordering Doppstadt company.

18.2. The place of jurisdiction for any disputes arising from the contractual relation shall be the head office of the ordering Doppstadt company. Furthermore, we shall also be entitled to bring an action against the supplier at the supplier's head office.

19. FINAL PROVISIONS

19.1. Should provisions of these Standard Terms and Conditions of Purchase become invalid or partly invalid, the validity of all the other provisions and the rest of the agreement will not be affected. Instead of the invalid provision, another provision shall be deemed to be agreed upon, which corresponds to the intent and purpose of the invalid provision and comes closest to the parties' economic interest.

19.2. Should one of the provisions be invalid with regard to mandatory foreign rules the supplier shall agree with us upon amendments of the contracts and execute a declaration towards third parties or authorities on request, which can ensure the validity of the provision and if this is not possible, the economic intent of the provision also according to the foreign laws. If this foreign law is the supplier's law of residence or the law of the head office of the supplying subsidiary or if this invalidity is known to the supplier for other reasons, the supplier must inform us immediately of such invalidity.

19.3. The provisions 19.1 and 19.2 shall also apply in case of omissions in the agreement.