

General Terms and Conditions of Business

of Lenord, Bauer & Co. GmbH, 46145 Oberhausen, Germany
- as of: June 2017 -

I. General Provisions

1. These General Terms and Conditions of Business (hereinafter: "General Terms of Business") regulate all – also future – deliveries and services (hereinafter: "Deliveries") of Lenord, Bauer & Co. GmbH (hereinafter: "Supplier") to its customers (hereinafter: "Customer").

These present General Terms of Business shall apply exclusively to the business relationship between the Supplier and the Customer in the version in effect at the respective order date. General terms and conditions which conflict with or deviate from the following provisions shall not apply. General terms and conditions of the Customer shall only apply insofar as the Supplier has expressly consented thereto in writing. The present General Terms of Business shall also apply exclusively if the Supplier executes delivery with knowledge of terms and conditions which are contrary to or in deviation of the present General Terms of Business.

2. Offers of the Supplier are always subject to change without notice. The Customer shall make a legally binding order upon sending the order (by fax, e-mail letter or by telephone). The Customer is bound to the order for one month - calculated from the order placement date. A contract shall first come into effect when the Supplier accepts the Customer's order by a declaration of acceptance (e.g. contract confirmation) or by delivery of the ordered good(s). All agreements, also ancillary agreements, other commitments or subsequent amendments to the contract shall require written confirmation by the Supplier to be legally valid. Attached manufacturer declarations are part of the legal agreement.

3. The Supplier reserves its property ownership and copyright rights of use to cost estimates, drawings and other documents (hereinafter: Documents) without limitation. Third parties shall only be allowed access to the Documents after prior consent of the Supplier and, if the contract with the Supplier is not awarded, are to be returned to the Supplier upon demand without undue delay. Sentences 1 and 2 hereof shall apply accordingly for documents of the Customer; however, these may be made accessible to such third parties to which the Supplier has permissibly transferred deliveries.

4. The Supplier grants the Customer a non-exclusive right of use to standard software which is included within the scope of delivery of a product with the agreed performance characteristics on the contractually agreed devices. The Customer may make a backup copy of this standard software also without the prior express agreement of the Supplier. The Customer agrees to only use the software which it receives from the Supplier for the contractually stipulated purpose and neither to modify or decompile such nor to make such accessible to third parties.

5. Partial deliveries are permissible insofar as such would be deemed reasonable for the Customer taking into consideration the interests of the Supplier and the Customer's own legitimate interests.

II. Prices and Payment Terms

1. Prices are ex works excluding packaging, plus the respectively applicable statutory VAT.

2. In cases of sales with delivery (Clause V, para. 1), the Customer shall bear the transport costs ex works and the costs of any transport insurance requested by the Customer. The Customer shall bear the costs of any customs, fees, taxes and other public charges. Transport and any other packaging according to the German Packaging Ordinance (*Verpackungsordnung*) shall not be taken back by the Supplier; such shall become the property of the Customer; excepted here from are pallets.

3. The purchase price is payable and due within 30 days of the invoice date and delivery of the goods. Upon expiry of the afore-mentioned payment date, the Customer shall be in default of payment. During the default period, the purchase price shall accrue interest at the respectively applicable statutory default interest rate. The Supplier reserves the right to claim additional default damage. The Supplier's claim to commercial interest from the due date (§ 353 German Commercial Code (*Handelsgesetzbuch, HGB*)) against merchants remains unaffected.

4. The Customer can only offset claims against such claims which are undisputed or determined with final *res judicata* effect. In the case of defects with the delivery, counterclaims of the Customer, in particular, pursuant to Clause VI, para. 3, sentence 4 of these General Terms of Business, remain unaffected.

5. Should it become apparent after conclusion of the contract that the Supplier's claim to the purchase

price is at risk due to the Customer's inability to perform (e.g. by filing for opening of an insolvency proceeding), the Supplier shall be entitled to refuse performance according to the statutory regulations and - as applicable, after affixing a deadline for performance – to rescind the contract (§ 321 German Civil Code (*Bürgerliches Gesetzbuch, BGB*)). In cases of contracts for the manufacture of non-fungible goods (custom-made products), the Supplier can declare rescission immediately; the statutory regulations concerning the dispensability of setting a deadline remain unaffected.

III. Reservation of Ownership Title

1. The objects of the Deliveries remain the property of the Supplier until fulfillment of all of its claims against the Customer from the business relationship (Reserved Goods). Insofar as the value of all security rights capable of being realized to which the Supplier is entitled exceed the amount of all secured claims of the Supplier against the Customer by more than 10 %, upon the Customer's request, the Supplier shall release a respective part of the securities of its discretion.

2. The Customer shall be prohibited from pledging or transferring the goods by way of security during the period of reservation of ownership title. A resale of the Reserved Goods shall only be permitted by the Customer in the ordinary course of business and only insofar as the Customer is not in default of payment.

3.a Should the Customer resell the Reserved Goods, it shall assign to the Supplier already now its future accounts receivables from the resale against its customers, together with all ancillary rights – including any outstanding balance claims – by way of security to the full extent. The Supplier accepts this assignment. Should the Reserved Goods be resold together with other objects without an individual price being agreed for the Reserved Goods, the Customer shall assign to the Supplier with priority before other claims that part of the total price claim which corresponds to the price of the Reserved Goods invoiced by the Supplier.

3.b Until revocation of this right, the Customer is authorized to collect the assigned accounts receivables from the resale. The Supplier's authority to collect the accounts receivables itself remains unaffected. The Supplier agrees, however, not to revoke the Customer's collection authority and to claim the accounts receivables itself as long as the Customer is not in default of payment, the Customer has not ceased making payment or has not filed an application for the opening of an insolvency proceeding related to its assets. If this is the case, however, the Supplier can demand that the Customer inform it of the assigned accounts receivables and their debtors, provide all information necessary for collection, deliver the documents related thereto and notify the debtors (third parties) of the assignment.

4.a The Customer is permitted to process, modify or combine the Reserved Goods with other objects. The processing, modification or combination shall take place on behalf of the Supplier. The Customer shall hold the new good on behalf of the Supplier with the care of an ordinary businessperson. The same regulations shall apply for the processed, modified or combined good as for the Reserved Goods.

4.b In cases of processing, modification or combination with other goods not belonging to the Supplier, the Supplier shall have co-ownership in the new good in the proportionate share of the value of the processed, modified or combined Reserved Goods (final invoice amount including VAT) to the value of the remaining processed good at the date of the processing, modification or combination. Insofar as the Customer gains sole ownership in the new good, the Supplier and the Customer agree that the Customer shall grant the Supplier co-ownership in the new good resulting from the processing, modification or combination in the relationship of the proportionate share of the value of the processed, modified or combined Reserved Goods (final invoice amount including VAT) to the value of the remaining processed good at the date of the processing, modification or combination.

4.c In the case of the sale of the new object, the Customer assigns herewith to the Supplier its claim from the resale against the Customer together with all ancillary rights by way of security without the necessity that additional separate declarations must be made. The assignment will apply, however, only in the amount which corresponds to the amount invoiced by the Supplier of the processed, modified or combined Reserved Goods (final invoice amount including VAT). The portion of the accounts receivables claim assigned to the Supplier shall be paid on a

priority basis. With regard to the collection authorization as well as the prerequisites for its revocation, Clause III, para. 3.b hereof shall apply accordingly.

4.d The Customer also assigns to the Supplier the accounts receivable to secure its accounts receivable against it which result by the combination of the Reserved Goods with real property against third parties.

5. In cases of attachments, seizures or other disposals or interferences of third parties, the Customer shall notify the Supplier without undue delay and point out the ownership rights of the Supplier.

6. In cases of breaches of duty on the part of the Customer, in particular, default in payment, the Supplier shall be entitled, after setting a reasonable deadline to remedy the breach of duty, to rescission and to take back the Reserved Goods; the Customer shall be obligated to return such. The Customer shall bear the transport costs accruing for the return. Insofar as the Supplier takes back the Reserved Goods, such shall constitute rescission of the contract by the Supplier. The contract shall also be rescinded if the Supplier attaches the Reserved Goods. The value of the Reserved Goods taken back by the Supplier may be realized. The proceeds of the realization of the goods shall be set-off from such amounts which the Customer owes to the Supplier after the Supplier has deducted a reasonable amount for the costs of the realization.

IV. Deadlines for Deliveries; Default; Export Control

1. Proposed deadlines and dates for deliveries proposed by the Supplier are only approximate unless a fixed deadline or date is expressly promised or agreed.

2. Observance of delivery deadlines shall prerequisite the timely receipt of all documents, required approvals and releases, in particular, plans to be delivered by the Customer as well as the observance of the agreed payment terms and other obligations by the Customer. Should these prerequisites not be met in a timely manner, the delivery deadlines shall be extended accordingly; this shall not apply if the Supplier is responsible for the delay.

3. Insofar as binding delivery deadlines cannot be met due to reasons for which the Supplier is not responsible (non-availability of the service), the Supplier shall inform the Customer hereof without undue delay and simultaneously give notice of the foreseeable new delivery deadline. Should the service also not be available within the new delivery deadline, the Supplier shall be entitled to rescind the contract, in whole or in part; any counter-performance already rendered by the Customer shall be reimbursed without undue delay. A case of non-availability of the service within the meaning of this provision shall be deemed to be, in particular, the non-timely delivery to the Supplier itself by its supplier(s), if the Supplier has concluded a congruent hedging transaction, neither the Supplier or its own supplier is at fault or the Supplier is not obligated to procurement in the individual case. The statutory rescission and termination rights to which the Supplier is entitled as well as the statutory provisions related to ending a contract in cases of preclusion of the obligation to perform (e.g. impossibility or unreasonableness of performance and/or subsequent performance) remain unaffected.

4. Should the Supplier be in default of performance, the Customer can demand flat-rate reimbursement of its default damage. The damage flat rate for each completed week of default shall be 0.5 % of the net price (delivery value) of the goods delivered late but however a total maximum amount of 5 % of the net price thereof. The Supplier is reserved the right to prove that the Customer did not incur any damage at all or only a substantially lesser damage than the afore-mentioned flat rate amount. The rights of the Customer pursuant to Clause VIII (Total Liability) of these General Terms of Business and the statutory rights of the Supplier, in particular, in cases of preclusion of the obligation to perform (e.g. due to impossibility or unreasonableness of performance and/or subsequent performance) remain unaffected.

5. Should the Customer be in default of acceptance of the goods (default of acceptance), fail to act in cooperation or if the delivery of the Supplier is delayed for other reasons for which the Customer is responsible, the Supplier shall be entitled to demand the damage resulting here from including additional expenses (e.g. storage costs). The Supplier shall calculate a flat rate compensation here form per calendar day in the amount of 0.5 % of the net price (delivery value) of the goods accepted late commencing with the delivery deadline or, respectively –

absent a delivery deadline – with the notification of the shipment availability of the goods. Proof of higher damage and any statutory claims of the Supplier (in particular, reimbursement of additional expenses, reasonable compensation, termination) remain unaffected; the flat rate damage is however to be offset against additional monetary claims. The Customer is reserved the right to prove that the Supplier did not suffer any damage at all or only substantially lesser damage than the aforementioned flat rate.

6. The Supplier is entitled to refuse the delivery of the Products and/or to withdraw from the individual purchase contract if and as far as the delivery of the Products would not comply with national and/or international export control law and/or when there are reasonable grounds for suspecting that the customer do not comply with the aforementioned provisions. The Customer shall not be entitled to any compensation for damages and/or expenses if the Supplier legitimately exercises the aforementioned right.

V. Transfer of Risk

1. Insofar as not stated otherwise in the order confirmation, delivery shall be made "EXW" pursuant to the Incoterms 2010 ex works of the Supplier in Gladbeck/Germany. Should shipment of the goods ordered be necessary and/or this is requested by the Customer, such shall occur at the expense of the Customer (sale with carriage of goods). Insofar as not otherwise agreed, the Supplier is entitled to determine itself the type of shipment (in particular, transport companies, dispatch route, packaging).

2. The risk of accidental loss and deterioration of the goods shall be passed to the Customer also in cases of delivery carriage paid when such goods are made available to the Customer. In cases of sales with carriage of the goods, however, the risk of accidental loss and deterioration of the goods as well as the risk of delay are passed to the Customer upon delivery of the goods to the carrier, the freight forwarder or any other person or institution stipulated to carry out the shipment.

VI. Defects of Quality

The Supplier shall be liable for defects of quality as follows:

1. The statutory regulations shall apply for the rights of the Customer in cases of defects of quality insofar as not otherwise regulated in the following.

2. In cases of defects of quality, the Customer is obligated to render the inspection and notification obligations according to § 377 HGB in a proper manner and to give notice of defects of quality to the Supplier in writing without undue delay. Parts which are subject to a complaint are to be returned to the Supplier accompanied by a report of defects.

3. Should a defect of quality exist, the Supplier shall first be granted the opportunity to render subsequent performance. The Supplier can choose whether to perform subsequent performance through elimination of the defect (remedy) or by delivery of goods which are free from defects (replacement delivery). The Supplier is entitled to make subsequent performance dependent upon the Customer paying the purchase price due. In cases of defect complaints, payments of the Customer may, however, be withheld in a scope which is in a reasonable relationship to the defects of quality which have occurred. Should the defect complaints be without good reason, the Supplier shall be entitled to demand reimbursement from the Customer of the expenses accruing to it.

4. The right of the Supplier to refuse subsequent performance under the statutory prerequisites remains unaffected.

5. Should the subsequent performance fail, the Customer can – without prejudice to any damage claims according to Clause VIII hereof – rescind the contract or reduce the remuneration.

6. No defect claims shall exist in cases of only minor deviation from the agreed quality, only minor impairment of utility, normal wear and tear or damage which occurs after transfer of risk as a consequence of incorrect or negligent handling, excessive operational demands, unsuitable equipment, defective workmanship or such caused by special external influences (e.g. chemical, electrochemical, electrical) which are not presupposed in accordance with the contract as well as with software defects which cannot be reproduced. Should improper modification or repair work be undertaken by the Customer or third parties, no defect claims shall also exist for these and the resultant consequences.

7. The expenditures necessary for purposes of inspection and subsequent performance, in particular, transport, travel, labor and material costs (not: disassembly and installation costs) shall be borne by the Supplier if and insofar as in fact a defect claim exists. Claims of the Customer for expenditures necessary for the subsequent performance, in particular, transport, travel, labor and material costs, are precluded however insofar as the expenditures increase because the object of the delivery is subsequently brought to a place other than the place of business of the Customer unless such transfer corresponds to the intended use.

8. Claims for damages or, respectively, claims for reimbursement of futile expenditures which the Customer makes on the basis of and/or in connection with any defects of quality exist only according to Clause VIII hereof and are otherwise excluded.

VII. Intellectual Property Rights and Copyrights; Defects of Title

1. Insofar as not otherwise agreed, the Supplier is obligated to render the delivery only in the country of the delivery free from third party intellectual property rights and copyrights (hereinafter: Intellectual Property Rights).

2. In the case of existence of a defect of title, the Supplier shall, at its choice and at its cost, either obtain a right of use for the relevant deliveries, modify the goods in a manner that third party rights are no longer infringed or exchange the goods for goods which do not infringe any rights of third parties. If this is not possible for the Supplier at reasonable conditions, the Customer shall be entitled to the statutory rights of rescission or reduction of the remuneration.

3. Should the Customer discontinue use of the delivery due to reasons of mitigation of damage or other important reasons, it shall be obligated to point out to third parties that the discontinuation of use is not linked with any recognition of an infringement of an Intellectual Property Rights.

4. Claims of the Customer against the Supplier are precluded insofar as the Customer is responsible for the infringement of the Intellectual Property Rights or, respectively, the infringement of rights of third parties.

5. Furthermore, claims of the Customer are precluded insofar as the infringement of the Intellectual Property Rights is caused by express specifications of the Customer, by an application which the Supplier could not have foreseen or as a result that the delivery was used by the Customer in a modified manner or together with products not delivered by the Supplier.

6. In cases of infringements of rights of third parties, in particular, infringements of Intellectual Property Rights, in addition, the regulations in Clause VI hereof shall apply accordingly.

7. Claims for damages or, respectively, claims for reimbursement of futile expenditures which the Customer makes on the basis of and/or in connection with any defects of title exist only according to Clause VIII hereof and are otherwise excluded.

VIII. Total Liability

1. Insofar as not otherwise regulated in these General Terms of Business including the following provisions, the Supplier shall be liable in a case of a breach of contractual and non-contractual obligations according to the relevant statutory regulations.

2. The Supplier shall be liable for damages – regardless of the legal grounds – in cases of wrongful intent and gross negligence. In cases of ordinary negligence, the Supplier shall be liable only

a) for damages resulting from death, injury to body or health,

b) for damages arising from breach of a material contractual duty (i.e. an obligation, the satisfaction of which first enables the proper execution of the contract to begin with and with which the contractual partner relies and may as a rule rely on its compliance); in this case, the liability of the Supplier is limited however to the reimbursement of the foreseeable, typically occurring damages.

3. The limitations of liability resulting from Clause VIII, para. 2 hereof shall not apply insofar as the Supplier has fraudulently failed to disclose a defect or assumed a guarantee for the quality of the goods. The same shall apply to claims of the Customer according to the German Product Liability Act (*Produkthaftungsgesetz*).

4. In the event of a breach of duty that is not attributable to a defect, the Customer can only rescind or terminate if the Supplier is responsible for the breach of duty. A free right of termination of the Customer (in particular, pursuant to §§ 651, 649 BGB) is excluded. Otherwise, the statutory prerequisites and legal consequences shall apply.

5. Insofar as the liability for damages against the Supplier is excluded or limited, this shall also apply with regard to the personal liability for damages of salaried employees, workers, other employees, representatives and vicarious agents of the Supplier.

IX. Statute of Limitations

1. In deviation of § 438, para. 1, No. 3 BGB, the general statute of limitations period for claims from defects of quality and defects of title shall be one year as from the delivery of the goods. Insofar as acceptance is agreed, the statute of limitations period shall begin upon acceptance. The aforementioned statute of limitations period shall not apply insofar as the law pursuant to §§ 438, para. 1, No. 2 (Buildings and Objects for Construction Work), 479, para. 1 (Right of Recourse) and 634a, para. 1, No. 2 (Construction Defects) BGB prescribes longer periods.

2. The afore-mentioned statute of limitation periods of the sales law shall apply also for contractual and non-contractual claims for damages of the Customer which are based on a defect of the goods, unless the application of the regular statutory limitation period (§§ 195, 199) would cause a shorter limitation period.

3. The statute of limitation periods of the German Product Liability Act shall remain in effect in any case. Otherwise, for claims for damages of the Customer, the statutory statute of limitations periods according to Clause VIII shall apply exclusively, in particular, with an intentional or grossly negligent breach of duty, fraudulent failure to disclose a defect, liability from a promise of guarantee as well as in the cases of death, personal injury and damage to health.

X. Force Majeure

1. No contract party shall be responsible for the non-fulfillment of its contractual obligations when the non-fulfillment is prevented by circumstances beyond the contract party's control or is based, in particular, on the following reasons: fire, natural catastrophe, war, seizure, trade and/or export restrictions, general shortage of raw materials, limitation of energy consumption, labor disputes or if breaches of contract of suppliers are based on these reasons. This regulation shall apply for all contractual obligations including liability to pay damages.

2. Each party may cancel the contract by written termination in the case the performance thereof is prevented for a period of more than six months according to Clause X, para. 1 hereof.

XI. Jurisdiction and Applicable Law

1. Exclusive jurisdiction in the case that the Customer is a merchant for all disputes arising from these General Terms of Business and all legal and contractual relationships between the Supplier and the Customer is the registered seat of the Supplier. The Supplier is however also entitled to file a lawsuit against the Customer at the registered seat of the Customer.

2. These General Terms of Business as well as all legal and contractual relationships between the Supplier and the Customer shall be governed exclusively by the law of The Federal Republic of Germany, excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).

3. Insofar as not otherwise stated in the order confirmation, the registered seat of the Supplier shall be the place of performance.

XII. Binding Character of the Contract

In the event of the legal invalidity of individual provisions of the contract, the remaining provisions of the contract shall remain binding. This shall not apply if the adherence to the contract would constitute an unreasonable hardship for one of the parties.