



General Terms and Conditions of Purchase

I. Area of applicability

1. The following General Terms and Conditions of Purchase shall apply to all orders placed by the company Bleistahl – hereinafter referred to as the Customer – and shall become an integral part of every contract concluded with Suppliers for the supply of goods or services.
2. Any deviating or conflicting general terms and conditions of business, delivery or purchase of Suppliers shall not become part of the contractual relationship with the Supplier. They cannot be used as a basis for the supplementary interpretation of the contractual terms either, unless otherwise expressly agreed upon with the Supplier in writing. Consequently, the mere reference of the Supplier to the validity of his general terms and conditions of business, delivery or purchase in an order confirmation is not sufficient.
3. In the event that a deviating agreement has been made, it shall only apply to the respective individual case, against the background of which it has been made, and not to all future contractual relationships established with the same Supplier.
4. The Customer's General Terms and Conditions of Purchase shall apply exclusively in relation to entrepreneurs within the meaning of Section 14 BGB [German Civil Code].

II. Requests and preparation of offers

1. The Customer's requests submitted to Suppliers shall be non-binding and constitute no binding offers.
2. The preparation of offers by Suppliers shall not be remunerated by the Customer; likewise, cost estimates and other preliminary work shall be free of charge for the Customer.

III. Orders and order acceptance

1. The placing, acceptance, modification and amendment of orders must be made in writing.
2. The Supplier shall examine every order immediately after receipt. The Customer shall immediately be notified of any doubts about the order or its content.

3. The Supplier undertakes to confirm every order in writing within one week. Otherwise, the Customer shall be entitled to cancel or modify the order free of charge. The Supplier shall clearly identify any deviations between the order and the order confirmation. In this case, the contract shall only be deemed concluded if the Customer expressly approves of the modification in writing.
4. To the extent reasonably acceptable to the Supplier, the Customer may demand modifications to the goods to be delivered relating to design and execution even after the supply contract has been concluded. In this case, the consequences, especially with respect to excess or reduced costs as well as delivery dates, shall be resolved in an appropriate and mutually agreeable manner.

IV. Delivery schedules

1. Delivery schedules as well as their modification or amendment must be made in writing.
2. If the Supplier fails to raise objections within one week of receipt, the delivery schedule shall be deemed binding for both contract parties.

V. Delivery dates and deadlines / Terms of delivery / Default in delivery

1. Agreed dates and deadlines shall be binding, unless otherwise agreed upon in writing.
2. The delivery deadlines commence on the date of receipt of the order. If a delivery period is agreed upon, the Supplier shall communicate the exact delivery date no later than 48 hours before delivery.
3. The effective delivery date or delivery deadline shall be the date of receipt of the goods at the Customer's premises or at the delivery address indicated. The Supplier shall make the goods available to the carrier in good time, taking account of the usual time required for loading and dispatch.
4. The delivery shall be free to the Customer's premises. The Supplier shall package, identify and externally label the goods in accordance with the requirements of the Customer and the carrier. The Supplier shall use the



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Customer's order number on all delivery documents and delivery notes. Upon request of the Customer, the Supplier shall take back and properly dispose of all transport and secondary packaging material at his own risk and expense. Apart from this, the delivery shall take place in accordance with the Customer's directions.

5. If the goods are delivered on an earlier date than agreed, the Customer reserves the right to return the goods at the Supplier's expense. If the goods are not returned, the goods shall be stored until the agreed delivery date at the Supplier's expense and risk. In the event of delivery earlier than agreed, the Customer reserves the right to effect the payment not before the agreed date of maturity.
6. The Supplier undertakes to immediately notify the Customer of any circumstances that suggest a delay in delivery. In this case, the Supplier shall make every endeavour to observe the agreed delivery date or limit the delay. The agreed delivery date shall not change by indicating an anticipated delay in delivery. All costs incurred by the Customer as a consequence of a culpable failure to provide such information or of late notification shall be borne by the Supplier. The acceptance or payment of a delayed delivery without reservations constitutes no waiver of the Customer's statutory claims due to default in delivery. In the event of default in delivery, the Customer shall be entitled to charge a contractual penalty amounting to 0.1% of the total contract value per working day of delay, although not exceeding 5% of the total contract value. In the event that the Customer asserts claims for damage caused by default, the contractual penalty paid shall be set off against the amount of the damage caused by default.
7. The Customer shall be entitled to reject partial, excess or short deliveries.

VI. Force majeure

1. The Customer and the Supplier shall be released from their duty to perform their contractual duties in the event of force majeure, labour disputes, civil unrest, official measures and any other unexpected,

unavoidable, major events for the duration of such events and to the extent of their effects.

2. The Customer and the Supplier undertake to provide any required information as is reasonable and adjust their respective duties to the altered circumstances, applying the principle of good faith.

VII. Prices, invoicing and payment

1. The agreed prices are fixed prices including costs of transport to the delivery address indicated by the Customer as well as including packaging and insurance costs. In addition, they include all other matters necessary for the Supplier to fulfil his duty to perform and deliver.
2. The prices indicated in the order or agreed between the contract parties are net prices.
3. The Supplier shall issue the invoice no later than 10 working days of flawless delivery. The invoice shall contain the respective order and article number(s). Invoices shall be submitted including all pertinent documents and data. The statutory value-added tax shall be shown separately in the invoice and equal to the amount of statutory value-added tax applicable as of the date of the invoice.
4. Payment shall be made, at the Customer's discretion, within one week of receipt of the delivery and invoice with 3% discount, within 30 days with 2% discount and within 60 days without any discount. If early delivery is accepted, the due date shall be in accordance with the agreed delivery date. Payment shall be made, at the Customer's discretion, by either bank transfer or cheque.
5. Insofar as the Customer and the Supplier have expressly agreed upon deviating terms of payment and/or delivery in writing, these terms shall take precedence over the foregoing provisions. In the event of disputes, the Supplier shall provide evidence of the prior-ranking individual agreement. In the event that a deviating agreement has been made, it shall only apply to the respective individual case, against the background of which it has been made, and not to all future orders placed by the Customer with the same Supplier.



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VIII. Right of retention and offset

1. In the event of defective delivery, the Customer shall be entitled to withhold payment proportionately until performance is duly completed.
2. In response to the Supplier's claims, the Customer shall be entitled to declare offset or exercise right of retention, including all related claims and opposing rights arising from the delivery itself or the entire business relationship.
3. The Supplier may not assign his claims against the Customer to third parties or have them collected by third parties without obtaining the Customer's prior written consent, which may not be withheld except for a good cause. In cases of extended reservation of title, the consent shall be deemed to have been given. If the Supplier assigns his claims against the Customer to a third party contrary to sentence 1 without obtaining his consent, the assignment shall nevertheless be effective. The Customer may, however, discharge his duty, at his discretion, by settling either with the Supplier or the third party.

IX. Reservation of title

1. The Supplier reserves the title to all goods delivered until full payment has been made. In relation to current invoices, the title reserved shall be the security for the balance owed.
2. In the event that the goods are combined by the Customer with other items to form a new uniform product and such new product is regarded as the main item, the Customer shall transfer to the Supplier the title to the main item in proportion of the goods combined, insofar as such title belongs to the Customer.
3. In the event that the Customer duly resells the delivered goods, the Customer hereby assigns to the Supplier, until payment of all outstanding debts, all claims against his purchaser including all supplementary rights. Upon request of the Supplier, the Customer shall, for good cause, make such assignments known to third-party purchasers and provide the Supplier with all information and documentation required to enforce the Supplier's rights. The Supplier shall release any security retained, insofar as the value exceeds

the claims to be secured by more than 20% in total.

X. Notification of defects

The Customer shall immediately notify the Supplier in writing of any defects to the delivery as soon as the Customer identifies such in the course of normal business operations. To this extent, the Supplier waives any objection to a late notification of defects.

XI. Liability for defects

1. The Customer shall be entitled to all statutory claims under warranty. Any limitations or exclusions of liability by the Supplier shall be excluded.
2. In particular, the Customer shall be entitled to demand, at his own discretion, either rectification of the defect or replacement delivery.
3. Any costs arising from the return transport of defective goods shall be borne by the respective Supplier.
4. If the Customer is entitled to withdraw from the contract, the withdrawal may be limited to the defective part of the delivery.
5. If more than 5% of the goods delivered are defective (serial defect), the Customer shall be entitled to reject the entire quantity delivered as being defective and assert the statutory and contractually agreed warranty claims in respect of these goods.
6. The period of limitation for material defects shall be three years. The limitation period shall commence upon transfer of risks.
7. If the Supplier fails to meet his obligations under warranty within an adequate period set by the Customer, the Customer shall be entitled to take the required measures himself or have them taken by a third party at the expense and the risk of the respective Supplier (right of self-redress). This shall not apply if the Supplier is not responsible for the failure to observe the deadline. In urgent cases, where it is impossible to notify the Supplier of the defect and the imminent threat of damage and to set him an even short period to find a remedy himself, the Customer may perform the rectification himself or have this



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performed by a third party. Any resulting costs shall be borne by the Supplier.

XII. Product liability

Upon first request, the Supplier shall indemnify the Customer from and against any liability for defects to the delivered goods that are attributed to the Supplier's fault and any resulting claims for damages asserted by third parties, including the necessary costs of legal prosecution, insofar as the Supplier would be personally liable in relation to third parties.

XIII. Extraordinary right of withdrawal

If either contract party suspends payment or bankruptcy proceedings are instituted over his assets or extrajudicial composition proceedings are applied for, the other contract party shall be entitled to withdraw from the unsatisfied part of the contract.

XIV. Quality and documentation

1. The Supplier shall perform his contractual duties himself and on his own premises, unless the Customer previously consents in writing to the performance of contractual duties by way of third-party products or by subcontractors. The Customer may refuse such consent only for a good cause. If such consent is granted, these General Terms and Conditions of Purchase shall also apply in relation to third-party products and subcontractors, whereby the Supplier shall hereby assume the liability for such. The Customer may, subject to the granting of a reasonable period of notice, revoke any consent granted for a good cause with effect for the future, taking account of the Supplier's legitimate interests.
2. In regard to his supplies, the Supplier shall comply with the generally accepted technical procedures as well as the safety regulations and the agreed technical specifications. The Supplier shall maintain a quality assurance system that conforms to at least the recommendations of DIN ISO 9000. Regarding first article inspection, reference is made to the VDA Volume 2 "Quality Assurance of Supplies", 4th edition 2004 and particularly to the chapter "Selection of Suppliers" contained therein. Not before the Customer has

accepted the first article, may series delivery be commenced. Any modifications to the goods to be delivered require the Customer's prior written approval. Notwithstanding this, the Supplier shall constantly verify the quality of the goods to be delivered. The contract parties shall inform each other as to the possibilities for improving quality.

3. In the event that the Supplier and the Customer have made no agreement on the type and scope of the inspection as well as the test devices and methods used for quality assurance, the Customer undertakes, upon request of the Supplier, to discuss the inspection with the Supplier and determine the necessary state of the testing technology within the limits of his knowledge, experience and possibilities. Furthermore, the Customer shall inform the Supplier upon request as to the relevant safety regulations.
4. Furthermore, the Supplier shall, in relation to technical documentation or by way of specially agreed marked parts, separately record the time and place of the inspection and by whom the goods to be delivered have been inspected in respect to those characteristics requiring documentation and shall further record the results obtained from the required quality control inspections. The inspection documentation shall be kept for 10 years and presented to the Customer as required. The Supplier shall make his subcontractors subject to the same duties to the extent permissible by law. As a direction, reference is made to the VDA Volume 1 "Documentation and Archiving", 3rd edition 2008.
5. Insofar as official authorities responsible for the supervision or control of safety or the operation of the final product, for which the Customer utilises parts or services of the Supplier, demand access to the production procedure or the inspection documentation of the Customer for the purpose of verifying certain requirements, the Supplier undertakes, upon request of the Customer, to grant the same rights to the official authorities at his premises and provide any reasonable assistance.
6. Upon request, the Supplier shall provide the Customer with duly signed certificates of origin (e.g. in accordance with EU, EFTA or



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NAFTA regulations) including all necessary details. The Supplier shall inform the Customer if any goods to be delivered are subject to statutory export limitations or export limitations ordered by official authorities.

XV. Proprietary rights

1. The Customer shall be entitled to the exclusive right to use and exploit all goods and services delivered unlimited as to time.
2. The Supplier shall guarantee that the goods and/or services are free from third-party rights. The Supplier shall indemnify the Customer from and against any existing and alleged claims asserted against the Customer by third parties due to the use of goods and/or services delivered by the Supplier, unless he is not responsible for the enforcement of claims by third parties.

XVI. Confidentiality

1. The Supplier undertakes to treat any confidential information, i.e. such information that constitutes business secrets, is subject to data privacy, is relevant to competition or has been previously declared to be confidential, with utmost care. The Supplier undertakes to maintain strict silence on all confidential information obtained against the background or on the occasion of executing any contract concluded for an unlimited period of time and store this information protected against access by unauthorised third parties.
2. Furthermore, the Supplier undertakes to ensure by appropriate contractual agreements that his employees also maintain strict silence on said confidential information.
3. Any confidential information may be used by the Supplier exclusively for the purpose of fulfilling the contractual obligations assumed on our behalf.
4. Confidential information may only be disclosed to third parties after obtaining the Customer's express prior written consent.
5. Once the supply contract is terminated, the Supplier shall return to the Customer all documents containing any information of said type.

XVII. Using the Customer's production devices

Any models, moulds, templates, samples, tools and other production devices made available by the Customer to the Supplier or fully paid for by the Customer may only be used for deliveries to third parties after obtaining the Customer's prior written consent and shall be returned to the latter immediately upon request.

XVIII. General provisions

1. Unless otherwise expressly agreed upon in writing, the law of the Federal Republic of Germany shall exclusively apply.
2. The INCOTERMS in their most recent version as of the date of the order shall apply to all trade terms.
3. The place of performance shall be the Customer's registered office or the delivery address indicated.
4. The place of jurisdiction for both contract parties shall be the Customer's registered office. The Customer reserves the right to appeal to another competent court.
5. Any modifications or amendments to these General Terms and Conditions of Purchase must be made in writing to take legal effect. This shall also apply to the waiver of this written form requirement. Oral side agreements shall have no validity.
6. In the event of one or several regulations of these General Terms and Conditions of Purchase being or becoming ineffective, the legal validity of the remaining contractual regulations shall not be affected. The contract parties undertake, applying the principle of good faith, to replace the ineffective provisions by effective regulations that most closely approximate the economic purpose pursued with the ineffective provisions.

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BLEISTAHL- Produktions GmbH & Co. KG
Osterfeldstraße 51
58300 Wetter