

General Terms and Conditions of Purchasing and Procurement AEL Apparatebau GmbH Leisnig

§ 1 Scope of application/General

(1) Our General Terms and Conditions of Purchasing and Procurement (GTPP) apply for all the supplies, services and proposals of our business partners and/or suppliers (hereinafter collectively referred to as „Suppliers“). The GTPP cover, in particular, the contracts concerning the sale and/or the delivery of movable items regardless of the fact whether the Supplier produces the goods itself or purchases them from the subcontractors (§§ 433, 651 BGB Civil Code).

(2) The GTPP are valid only if the Supplier is an entrepreneur (§ 14 BGB Civil Code), a legal entity or a special fund under the public law.

(3) The GTPP apply also for the prospective deliveries, services, and proposals of our Suppliers even if the respective separate agreements have not been made.

(4) These GTPP shall apply exclusively. Deviating, conflicting or supplementary General Business Terms and Conditions of the Supplier shall only then and insofar become an integral part of the contract to the extent that we have expressly consented to their application in writing. This requirement of the consent shall apply in every case, for example even if we, being aware of the General Business Terms and Conditions of the Supplier, accept its delivery/service unconditionally or refer to a letter containing or referring to the Supplier's Business Terms and Conditions.

(5) Individual agreements reached with the Supplier in an individual case (inclusive of collateral agreements, amendments, and modifications) shall prevail over these GTPP. The written contract or our written confirmation shall be decisive for the contents of such agreements.

(6) Legally relevant declarations and notifications to be submitted to us following the contract conclusion (e.g., deadline settings, reminders, interpretations, recession) shall be only effective in writing.

(7) References to the application of the statutory regulations shall only serve for the purpose of clarification. Therefore, the statutory regulations shall apply even without such clarification, unless modified directly or expressly excluded in these GTPP.

§ 2 Proposals, cost estimates

(1) Proposals or cost estimates shall be prepared for us by the Supplier free of charge. This also applies even if they are prepared due to a request for the proposal or a request for the cost estimate forwarding.

(2) Unless otherwise agreed, the proposals and cost estimates shall be considered legally binding for the Supplier within 3 months after being received by us and/or shall be a binding basis for the resulting orders.

§ 3 Orders and commissions

(1) Orders shall be only effective in writing. Any verbal agreements inclusive of subsequent order alterations and/or amendments shall only be effective when confirmed by us in writing. The Supplier shall notify us about obvious errors (e.g., writing and calculation errors), an incompleteness of the orders, order alterations or amendments inclusive of the order documents for the purposes of correction or

completion prior to the acceptance; otherwise, the contract shall be deemed as not concluded.

(2) The Supplier shall confirm our order in writing within 7 calendar days (order confirmation) or implement it unconditionally (particularly by sending the goods). The receipt of the acceptance declaration by us shall be decisive for the timely acceptance of the order. A late acceptance shall be considered as a new proposal and requires the acceptance to be performed by us. In case the order confirmation deviates from the order, we shall only be bound if we have expressly agreed to the deviation.

(3) The quantities ordered are binding. In the event of excess supplies/services, we shall be entitled to refuse these at the expense and cost of the Supplier.

(4) We shall be entitled to inform about changing the time, the place of the delivery/service, and the packing method in writing within 14 calendar days minimum prior to the delivery date agreed. The same applies for the product specifications alterations provided that these can be implemented without any considerable extra expenses in terms of the normal production process of the Supplier, whereby the notification period related to such cases shall be 14 calendar days minimum according to the section 1. The Supplier may demand a reimbursement of the extra costs resulted by such alterations upon their verification in an adequate amount. If such alterations cause delays in delivery that cannot be avoided by means of reasonable measures in terms of the normal production and business process of the Supplier, the initial delivery date shall be extended respectively. The Supplier shall timely inform us about the upcoming extra expenses or delays in delivery prior to the delivery date, within 3 calendar days minimum after receiving the alteration notice.

(5) We shall be entitled to terminate the contract anytime in a form of a written declaration stating the reason if we are no longer able to use the products ordered in the business process due to circumstances occurred after the contract conclusion. The Supplier shall be remunerated in this case for the partial services rendered by the time of the termination notification. This shall not apply if the Supplier, taking the due commercial care, could otherwise dispose of or use the partial services rendered. In this case, only a possible loss shall be refunded to the Supplier upon its verification.

§ 4 Delivery time and delay

(1) The deadlines agreed, particularly the delivery time (delivery date/delivery term) given in the order shall be binding. The appropriate receipt of the goods (inclusive of all the documents) and/or the proper and complete implementation of services agreed shall be decisive for the adherence to the delivery term. The Supplier is obliged to inform us immediately in writing upon giving the reasons and the expected duration if the Supplier fails - for whatever reasons - to meet the delivery deadlines agreed.

(2) Early deliveries/services and partial deliveries/services shall only be permitted with our prior express consent in writing. In the absence of such consent, we shall be entitled to abandon the respective delivery/service before the maturity.

(3) If the delivery day can be determined on the basis of the contract the Supplier falls into arrears at the end of this day, without requiring a reminder on our part.

Should the Supplier not implement its delivery or service, implement it beyond the delivery term agreed or fall into arrears our rights - particularly for the recession and damages compensation - shall be determined by statutory regulations. The regulation in section 5 shall remain unaffected.

(5) If the Supplier falls into arrears we can demand a contractual penalty at a rate of 0.25 % of the net price per calendar day, but not more than 5 % of the net price of the goods or services delayed. We shall be entitled to demand the contractual penalty in addition to the execution, and as a minimum amount of the damage compensation legally owed to the Supplier; the enforcement of any further damage shall remain unaffected.

(6) The unconditional acceptance of the delayed delivery/services shall not constitute any waiver of our claims or contractual penalties. On the contrary, we shall be entitled to apply the contractual penalty up to the complete payment of the amount owed by us for the respective delivery/services.

(7) Shall the Supplier fall into arrears, we shall have a right to perform covering purchases at its expenses.

§ 5 Services, delivery, transfer of risk, delay in acceptance

(1) The Supplier shall not be entitled to have services owed rendered by the third party (e.g., subcontractor), without our prior express consent in writing. The Supplier shall bear the procurement risk for its services unless otherwise agreed in writing in individual cases.

(2) Unless otherwise agreed in writing, all the deliveries shall be made free of charge to the place stated in the order. If the destination is not given, and unless otherwise agreed, the goods shall be delivered at our registered office in Leisnig. The respective place of destination is also a place of performance (debt to be discharged at creditor's residence). The delivery at any place of receipt other than specified shall not cause any transfer of risk to us. This applies even if the delivery is accepted at this place of receipt. The Supplier shall bear our extra costs resulted from the delivery to a place other than mentioned above.

(3) If the parties have agreed on the pricing ex-works or ex-warehouse other than stated in section 2 of the given provision, the shipments shall be made at the lowest possible cost unless we have specified any particular transportation methods. The Supplier shall bear extra costs due to failure to meet the specified delivery method. The same applies for the extra expenses due to delivery speed-up required to meet the delivery deadline.

(4) Unless otherwise agreed, the Supplier shall bear the packing expenses. The delivery/services documents shall explicitly indicate whether the Supplier has a right to receive the package necessary for the shipment/services back. If the documents have no such note, we shall be entitled to dispose of the package at the expenses of the Supplier. In this case, the Supplier's right to the package return shall cease.

(5) For the safety of goods during the transportation, the Supplier shall use, as far as possible, the biodegradable and/or recyclable package materials with the smallest possible volume and take them back at our request.

(6) Every delivery shall contain a shipping document indicating the date (issue and dispatch), delivery contents (item numbers and quantity), as well as our complete order identification (date and number). Shall the shipping document be missing or incomplete, we shall bear no liability for the resulting delays in processing and payment. The Supplier shall send us a respective dispatch note inclusive of the same contents separately from the shipping document.

(7) The risk of accidental loss or impairment of goods shall be transferred to us upon the delivery at the place of performance. This shall apply even if the parties have agreed in writing on the goods transportation method other than stated in section 2 of the given provision (debt to be discharged at creditor's residence).

(8) The storing of the items for the further delivery/services rendering on our site shall be performed only upon our written approval and at storage areas approved in writing. The Supplier shall bear the liability and risks for these items in full up to the transfer of risk of the entire order.

(9) The Supplier shall be liable to gather all the Supplier's declarations related to the delivery and submit them to us. If a preferred country has been chosen as the final place of destination the Supplier shall submit the respective Supplier's declaration along with the preference verification. This mainly includes the Supplier's declaration for the goods with a preferential origin status under the Regulation (EC) No. 1207/2001, as well as the long-term Supplier's declaration for the goods with a preferential origin status under the Regulation (EC) No. 1207/2001.

(10) The statutory regulations shall apply in the case of delays in our acceptance. The Supplier must, however, expressly offer us its performance even if a specific or definable calendar day has been agreed upon for an action or an assistance on our part (e.g., material supply). Should we be in an acceptance delay, the Supplier may demand a compensation of its extra costs according to the statutory regulations (§ 304 BGB Civil Code). If the contract concerns an unacceptable item to be produced by the Supplier (piecework production), the Supplier shall only be entitled to further rights if we are obliged to provide the assistance and responsible for the failure to provide the assistance.

§ 6 Duty of notification

The Supplier shall inform us in writing not later than the order confirmation date whether and to what extent the implementation of its delivery/services requires the complete or partial acquisition of the state export licences or the fulfilment of similar legal or official requirements, or whether its delivery/services are fully or partially subjected to export restrictions.

§ 7 Invoices

All the invoices shall contain our complete order identification, the item numbers, the scope of delivery, and the delivery address. Should one or more of this data be missing and, therefore, the processing be delayed by us in terms of our normal business process, the payment periods given in § 8 shall be extended correspondingly. Every invoice shall be prepared in two copies. The second copies of the invoice shall be marked as duplicates.

§ 8 Prices and payment terms and conditions

(1) The price specified in the order shall be binding. The unit prices are presented in the order on the net basis.

(2) Unless otherwise agreed by us and the Supplier in an individual case, the price given includes all the services and additional services of the Supplier (e.g., mounting, installation), as well as all the additional costs (e.g., proper packing, transport costs inclusive of a potential transportation and liability insurance). The cost estimates, samples, probes and so on shall not be reimbursed to the Supplier regardless of the fact, whether the contract has been finally concluded or not.

(3) The price agreed shall be due for payment within 60 calendar days after the complete delivery and/or services rendering (inclusive of an acceptance agreed, if possible), as well as after the receipt of an appropriate invoice. If we carry out the payment within 14

calendar days, the Supplier shall provide a 3% discount on the net amount of the invoice. The bank transfers shall guarantee a timely payment if our bank receives our transfer order before the payment period expiry; we shall not be liable for the delays of the banks involved in payment transactions.

(4) Neither acknowledgement of an appropriate performance nor waiver of warranty shall be connected to the payment.

(5) We shall owe no interests on maturity. The late payment penalty equals annually to 5 percentage points above the base interest rate. The statutory regulations shall apply in case of our payment delay, whereby, deviating from this, a written reminder from the Supplier shall be required in every case.

(6) We shall have the right of offset and retention, as well as the right of the objection of the non-fulfilled contracts, as provided by the law. We shall be particularly entitled to retain the due payments as long as we are still entitled to the claims against the Supplier due to incomplete and/or faulty services.

(7) The Supplier shall only have the right of the offset and retention due to legally determined or undisputed counterclaims.

§ 9 Reservation of title

(1) We expressly reserve all the property rights and copyrights for the figures, plans, drawings, calculations, instructions, product descriptions, and other documents. All the documents shall be used exclusively for the contract execution and returned to us after its completion. The contents of the documents shall not be disclosed to third parties even after the contract completion. The obligation of confidentiality ceases only if and insofar as the contents of the documents has become a matter of common knowledge.

(2) The section 1 applies respectively for the materials (e.g., software, finished and semi-finished products), as well as for the tools, projects, samples and other items provided by us to the Supplier with the purposes of the contract execution. Except where they are processed, these items shall be stored separately at the Supplier's expenses, protected against damage and loss to an adequate extent, and returned to us at our request not later than the contract execution date.

(3) The processing, mixing or combination (further processing) of the items provided by the Supplier shall be carried out for us. The same applies in case of the further processing of the goods delivered by us so that we act as a manufacturer and obtain a title to the product not later than during the further processing according to the statutory regulations.

(4) The transfer of title for the goods to us shall take place unconditionally and regardless of the price payment. Should we accept, however, the Supplier's proposal for the title transfer conditioned by the purchase price payment in an individual case, the reservation of title of the Supplier shall cease not later than while paying the purchase price for the goods delivered. We shall remain authorized to perform further sale of the goods in terms of our proper business process and before the purchase price payment, upon the advance assignment of the resulting claim. This excludes, by all means, any other forms of title reservation, particularly, the title reservation extended, transferred, and prolonged by the further processing period.

§ 10 Warranty, limitation

(1) Unless otherwise specified below, the statutory regulations shall apply for our rights in case of quality or title defects of the goods (inclusive of incorrect and short delivery, improper mounting,

incomplete mounting, operation or control instructions) and other breaches of duty caused by the Supplier.

(2) The Supplier shall be responsible, in particular, for ensuring the agreed quality of the goods during the transfer of risk. In any case, the product descriptions and/or specifications that are the subject of the respective contract or incorporated in the contract in the same way as these General Terms of Purchase and Procurement – particularly due to an identification or reference in our order – shall be valid as an agreement on the quality. It shall thereby make no difference whether the product description/specification originates from us, from the Supplier or from the manufacturer. Unless otherwise stipulated, the Supplier shall also ensure that the goods delivered comply with the state-of-the-art techniques in every aspect of the recognized regulations, as well as meet the relevant legal requirements and directives for the specified purpose, and fit for the intended application.

(3) In deviation from § 442 art. 1 section 2 of BGB Civil Code, we shall only be unlimitedly entitled to claim for defects if the defect remains unknown upon conclusion of the contract as a result of gross negligence.

(4) The statutory regulations (§§ 377, 381 HGB German Commercial Code) shall apply to the commercial obligation to inspect and notify of defects, with the following provision: Our inspection obligation is limited by the defects detected by the external examination during the incoming inspection, inclusive of the shipping documents, as well as during our random quality check (e.g., transportation damages, incorrect and short delivery). If the acceptance is agreed upon by the parties, the inspection obligation shall be no longer required. Besides, it depends on to what extent an inspection is feasible taking into account the circumstances of the individual case according to the proper business process. Our obligation to notify of defects detected later shall remain unaffected. In all the cases, the claim for defects (notice of defects) shall apply immediately and timely provided that the Supplier receives it within 10 calendar days. No confirmation given in the shipping documents shall be considered as the acceptance of the goods.

(5) The Supplier shall bear the costs incurred by him due to the examination and repair (inclusive of possible dismantling and mounting costs) even if no defects appear to be found. Our compensation liability shall remain unaffected in case of the unauthorized request for an unauthorized defect remedy; in this respect, we shall only be liable if we have found out or have not found out due to a gross negligence that no defect was present.

(6) If the Supplier fails to comply with its obligation to render supplementary performance - at our option either by removing the defect (rectification) or by supplying the items free of defects (substitute delivery) - within an adequate period specified by us, we can remove the defect at our own cost and demand a compensation of the resulting expenses or a respective advance payment from the Supplier. If the supplementary performance has been failed by the Supplier or unacceptable for us (e.g., due to a particular urgency, a threat to the operation safety or an impending occurrence of incommensurate damages) there shall be no need to set a deadline; we shall notify the Supplier of such circumstances immediately, in advance, if possible.

(7) Apart from that, we shall have the right for the purchase price reduction or the recession of the contract due to quality or title defects according to the statutory regulations. Moreover, we shall be entitled to claim for damage and cost compensation in accordance with the statutory regulations.

(8) If we bear any expenses or costs related to the defective delivery (e.g., inspection or examination costs, costs for the necessary substitute or covering purchases from the other suppliers, recall costs, prosecution costs), the Supplier shall reimburse these to us. Further legal claims shall remain unaffected.

§ 11 Warranty period

Unless no longer period is stipulated by the law, the period of warranty for defects shall amount to 36 months. The period shall start upon the transfer of risk (§ 5 sec. 6) or upon the acceptance if any has been anticipated. The limitation of warranty claims shall be suspended upon the receipt of our written defect notification by the Supplier. The warranty period shall re-start for the replaced and rectified parts in case of the substitute delivery or defect removal, unless we must assume, according to the behaviour of the Supplier, that the Supplier did not see itself as obliged to take this measure, but rather completed the substitute delivery or defect removal only as a gesture of goodwill or for similar reasons. For the defects notified within the warranty liability, the period shall end not earlier than 6 months after the assertion of the defect notification.

§ 12 Termination

(1) Even if the respective contract is not a contract for services, we shall have a right to terminate it without stating any reasons, in full or partially, with an immediate effect. In this case, we shall pay for all the deliveries/services rendered by the Supplier until then, as well as reimburse the materials provided and the work performed to an adequate extent; in addition to the above, the provisions of § 649 sec. 2, subsec. 2 of BGB Civil Code shall apply. Further claims of the Contractor shall be excluded.

(2) We shall also be entitled to terminate the contract if insolvency proceedings are filed against the Supplier's property or the Supplier discontinues payments. The same applies if the Supplier fails to implement the claims of its Suppliers. We shall have the right to accept materials and/or semi-finished products inclusive of possible specific tools under adequate conditions.

§ 13 Product liability

(1) The Supplier shall be liable for all the claims invoked by third parties due to personal or property damages that are referred to a defective product delivered by the Supplier and shall be also obliged to free us from the resulting liability at our first request. Under its obligation to indemnify, the Supplier shall also reimburse the expenses acc. to §§ 683, 679 of BGB Civil Code that occur due to or in connection with recourse taken by third parties including the recall actions carried out by us. As far as possible and reasonable, we shall inform the Supplier about the content and scope of recall measures and give the Supplier an opportunity to respond. Further legal claims shall remain unaffected.

(2) The Supplier shall be liable, at its own costs, to provide a product liability insurance with a coverage amount of EUR 5,000,000 minimum which, unless otherwise individually agreed, does not serve to cover the recall risk, punitive or similar damages. The Supplier shall send us a copy of the respective insurance policy at our request.

§ 14 Property rights

(1) The Supplier shall ensure that no property rights of third parties are violated in connection with its delivery and/or due to the planned usage of goods.

(2) The Supplier shall be obliged to relieve us from all the claims invoked by third parties against us due to a violation of property rights mentioned in section 1, as well as compensate all our expenses incurred in connection with this claim. This demand exists independent from the responsibility of the Supplier.

§ 15 Spare parts

(1) The Supplier shall be obliged to reserve the spare parts for the products delivered to us within 10 years minimum, starting from the delivery date.

(2) Should the Supplier intend to stop the production of spare parts for the products delivered, upon the expiry of the period specified in sec. 1, we shall be immediately informed of its decision to stop the production. This decision shall be taken 9 months prior to the production stop.

§ 16 Confidentiality

(1) The Supplier shall be obliged to strictly conceal the contents of all the information, figures, drawings, plans, instructions, product descriptions and other documents related to our business. These shall not be disclosed to third parties. The non-disclosure obligation shall apply even after the contract execution and/or failure. It ceases only if and insofar as the contents of the documents has become a matter of common knowledge.

(2) Subcontractors shall be liable respectively.

(3) Without our prior written consent, the Supplier shall not give any reference to our business relationship neither in advertising materials nor in booklets or similar and shall not exhibit the delivery items produced for us.

§ 17 Assignment

The Supplier is not entitled to assign its claims related to the contract to third parties. This shall not apply if it concerns the monetary claims that are legally established or indisputable.

§18 Liability insurance

The Supplier is obliged to provide an adequate liability insurance at its own cost that covers the liability risk resulting from our business relationship. The Supplier shall send us a copy of the respective insurance policy at our request.

§ 19 Applicable law

These GTPP and all the legal relations between us and the Supplier are subject to the legislation of the Federal Republic of Germany under exclusion of the International uniform law, in particular, the UN Sales Convention. The conditions and effects of the reservation of title are subject to the legislation at the respective place of storage of the items if the choice of German law would be inadmissible or invalid.

§ 20 Written form

The requirement of a written form remains even if the communication takes place by means of an e-mail and/or telefax.

§ 21 Place of performance and jurisdiction, partial invalidity

(1) The legal invalidity of individual provisions of these Purchase Terms and Conditions does not affect the validity of the rest provisions.

(2) The place of performance for all the obligations related to the contract, inclusive of the payment obligations, is the place of delivery agreed by the parties.

(3) Leisnig is the place of jurisdiction for all the disputes arising from or in connection with the order.