

Terms of Purchase of LEONHARD KURZ Stiftung & Co. KG ("KURZ-TP")

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1. Validity

- 1.1 The KURZ-TP shall apply to supplies and services ("**Supply**"), which an entrepreneur ("**Supplier**") provides on the basis of a contract with LEONHARD KURZ Stiftung & Co. KG ("**KURZ**"). The Supplier and KURZ collectively are hereinafter referred to as "**Parties**" or individually as "**Party**".
- 1.2 Deviating terms from the KURZ-TP shall not apply unless KURZ has expressly agreed to them in writing. The receipt of the Supply as well as payments does not constitute KURZ's agreement to any Supplier's terms and conditions.
- 1.3 The KURZ-TP shall apply in the context of a continuous business relationship also for future business between KURZ and the Supplier, even if, in individual cases, KURZ did not expressly refer to the inclusion of the KURZ-TP at the time of conclusion of the contract.

2. Offer and Acceptance

- 2.1 The preparation of an offer for KURZ by the Supplier shall be free of charge.
- 2.2 Any commercial letter of confirmation (kaufmännisches Bestätigungsschreiben) from the Supplier which deviates from the content of previous declarations (e.g. offer, counter offer) made by KURZ shall not be binding to KURZ unless KURZ agrees to such deviation.
- 2.3 KURZ may revoke its declaration of intention (e.g. an order) within 10 days after submission if the Supplier has not accepted it in writing by means of a concurring declaration of consent ("**Order Confirmation**") and the Order Confirmation of the Supplier was not yet received by KURZ.
- 2.4 The complete technical and safety documentation (e.g. safety data sheet) shall be attached to the offer / Order Confirmation by the Supplier. The documentation shall contain the storage conditions and the expiry date of the respective Supply. The Order Confirmation of the Supplier shall contain the customs tariff numbers, the countries of origin and the confirmation that the Supply does not contain a dual-use product.

3. Duty to Notify and Duty of Care

- 3.1 The Supplier shall notify KURZ without delay in writing of any changes or modifications with respect to the composition of materials used or the underlying design and the packaging if different from similar or comparable Supply previously provided by Supplier to KURZ. Any such changes or modifications shall require KURZ's prior written consent.
- 3.2 The Supplier shall ensure that the Supply conforms to the applicable environmental and accident prevention rules and other industrial safety regulations, as well as all legal requirements valid in Federal Republic of Germany and within the European Union (EU) at the time of transfer of risk and shall advise KURZ in writing of any specific treatment and waste disposal requirements applicable to the Supply. In addition, KURZ expects a responsible energy management from the Supplier.

4. Inspection

- 4.1 KURZ is entitled to inspect the Supply at the Supplier's premises or to request the Supplier to inspect the Supply in order to ensure that the Supply complies with the contract (e.g. specification). The Supplier shall bear the costs of the inspection of the Supply (including the cost of materials to be provided) and its own personnel costs.
- 4.2 If the Supply to be inspected is not available for inspection at the agreed time, KURZ's costs of inspection (e.g. personnel costs) shall be borne by the Supplier. If a discovered material defect or defect in title requires repeated or further inspections, the Supplier shall bear the costs of such inspections of the Supply (including the cost of materials to be provided) and its own personnel costs and KURZ's costs of inspection (e.g. personnel costs). Material defects or defects in title are hereinafter collectively referred to as "**Defects**" or individually as "**Defect**".
- 4.3 The Supplier shall bear the material and personnel costs of any material and inspection certificates in relation to primary materials.
- 4.4 The Supplier's liability for Defects shall remain unaffected by any inspection.
- 4.5 Material and inspection certificates shall form part of the Supply and shall be presented at the time of delivery of the Supply.

5. Supply of the Supplier

- 5.1 Supply or Supplementary Performance (14.3) not involving installation or erection are considered timely when received at the receiving office of the place of receipt stated by KURZ, while Supply requiring installation or erection as well as services shall be deemed timely upon acceptance by KURZ. The Supplier is entitled to partial or multiple deliveries only with the prior written consent of KURZ.
- 5.2 Agreed dates and deadlines are binding as fixed dates. Any advanced delivery of the Supply requires the prior written consent of KURZ. In case Supply is delivered earlier than agreed, KURZ shall be authorized to refuse acceptance of it or to store it at Supplier's cost and risk.
- 5.3 If and as soon as the Supplier has reason to believe that the Supply will be delayed or that Supplier is unable to deliver, the Supplier shall immediately notify KURZ in writing.
- 5.4 In case of a delivery of Supply to a branch, sales office, assembly or construction site, the Supplier shall send a copy of the delivery note to KURZ's purchasing department as proof of the delivery. The delivery note shall specify the recipient, date and precise time of delivery in legible or printed block letters.

6. Transfer of Risk, Transfer of Title and Dispatch

- 6.1 For Supply involving installation or assembly and for services, the transfer of risk shall take place upon acceptance by KURZ. For Supply not involving installation or assembly or for Supplementary Performance (14.3), the transfer of risk shall take place upon completion of the receiving inspection at the place of receipt of the Supply stated in the contract.
- 6.2 Dispatch and packaging costs shall be borne by the Supplier. In the event that the prices are determined EXW (EX WORKS) Supplier Incoterms® 2010, the Supply shall be dispatched, in each case, at the lowest cost, provided that KURZ has not specified a particular mode or means of transport. Additional costs due to non-compliance with shipping or packaging regulations shall be borne by the Supplier. In the event that the prices are determined DDP (DELIVERED DUTY PAID) receiving office KURZ Incoterms® 2010 free recipient including packaging and transport insurance, KURZ can determine the mode or means of transport; however, the Supplier shall be entitled to choose the most favorable mode or means of transport for it, if damage in respect of the Supply is excluded and the confirmed date of delivery of Supply can be met. Additional costs for a more expeditious mode or means of transport out of necessity and, in order to observe the date of delivery of Supply, shall be borne by the Supplier. If no agreement is made between the Parties, the prices are DDP (DELIVERED DUTY PAID) receiving office KURZ Incoterms® 2010.

- 6.3 The Supplier shall take back the packaging material when specified in the contract or in the applicable packaging regulations. In the event that the Supplier does not take back the packaging material, the Supplier shall bear the cost of KURZ's disposal of the packaging material in compliance with the current regulations on packaging.
- 6.4 Waste disposal of the Supply shall be ensured by the Supplier. In case of waste disposal the Supplier shall ensure a pick-up at KURZ of the Supply to be disposed of. Transport and disposal costs shall be borne by the Supplier.
- 6.5 Each Supply shall be accompanied by a packing slip, delivery note, analysis and inspection certificates as well as customs documents ("**Delivery Documents**"). KURZ shall be notified of the dispatch without delay.
- 6.6 The expiry date and hazard warnings shall be indicated on each package unit.
- 6.7 The title to the Supply shall be transferred to KURZ either upon receipt or full payment of the Supply by KURZ, whichever occurs earlier.
- 6.8 Supply which has been paid in full by KURZ or which is owned by KURZ shall be clearly marked by the Supplier as property of KURZ and shall be stored separately and identifiably from all other goods in Supplier's possession. The Supplier shall immediately dispatch the Supply on first demand by KURZ.

7. Delay

- 7.1 If the Supply is delayed, KURZ is entitled, without prejudice to other rights, to demand a contractual penalty of 1% of the net order value per commenced week of delay up to a maximum of 5 % of the net order value. The assertion of other legal consequences, including a higher compensation, shall remain unaffected; an already paid contractual penalty shall be credited against a higher compensation claimed by KURZ. Supplier shall be entitled to provide evidence that KURZ suffered lower or no damage.
- 7.2 In the event that the Supply or the Supplementary Performance (14.3) is delayed, the contractual penalty may be claimed by KURZ until the final payment is made by KURZ.
- 7.3 If the fulfillment of the contract is prevented or impossible due to force majeure including but not limited to mobilization, war, riots, strike on the part of KURZ and/or the Supplier or any other unavoidable event for which KURZ and/or the Supplier is not liable, the affected Party shall be released from its obligations for the duration and scope of the disruption and its consequences. Should one or more of the above-mentioned events occur, KURZ shall be notified immediately by the Supplier in writing.

8. Invoices

- 8.1 The Supplier shall issue a separate invoice for each order. Invoices shall be submitted in original and in duplicate or by prior agreement with KURZ as a pdf file and shall contain, as a minimum, the following information:
 - Name and address of the Supplier and of KURZ
 - Supplier number
 - KURZ's order number and name of the ordering employee, date of the order
 - Date of delivery; delivery note number
 - Description (product number, product name and text of order)
 - Quantity and quantity unit; partial delivery; material and technical data
 - Price (surcharges, deductions (e.g., cash discount), currency, transport and packaging costs)
 - Tax rate and tax amount on the price
 - Date of issue of invoice, consecutive invoice number
 - VAT identification number of the Supplier and of KURZ.
- 8.2 Invoices that do not contain the above information shall not be due for payment. Duplicates of invoices shall be marked "Duplicate".

9. Payments

- 9.1 Unless otherwise agreed between the Parties, payments shall be made within 14 days net of a discount of 3 % or within 30 days net ("**Due Date**").
- 9.2 The payment period shall commence upon receipt of an invoice in the proper form and, for Supply involving installation or erection or for services, upon acceptance by KURZ, for Supply not requiring installation or erection, upon complete delivery of the Supply, however in any circumstances not prior to the agreed delivery date for the Supply. A prerequisite for complete delivery of the Supply is the receipt of the Delivery Documents. A discount may be deducted even where KURZ offsets or withholds reasonable sums due to Defects. In this case, the payment period shall commence after the complete remedy of the Defect.
- 9.3 KURZ shall be in default of payment if KURZ does not pay after receipt of a written reminder from the Supplier which occurred after the Due Date of the remuneration.
- 9.4 The price for Supply with a Defect shall be set off by way of a debit note and shall be debited to the vendor account of the Supplier.

9.5 Payments by KURZ shall not be considered as acknowledgment that the Supply is in conformance with the contract.

10. Security

10.1 KURZ shall be entitled to demand from the Supplier, as security for the performance of the contractual obligations, the position of an indefinite performance guarantee of 10 % of the gross order value. After complete fulfillment of the contract by the Supplier KURZ shall return the performance guarantee document to the Supplier, provided the Supplier presents KURZ the following security.

10.2 In order to safeguard the claims and rights of KURZ due to a Defect in the Supply, KURZ may demand from the Supplier, up to the expiry of the limitation period of the liability for Defects, a security of 5 % of the gross order value. The cost of the security shall be borne by the Supplier.

10.3 Security may be provided at the Supplier's option by withholding as per 10.4 or by means of a bank guarantee on first demand of a credit institution or insurer authorized in the European Union. In addition, the submission of such bank guarantee requires that KURZ has recognized the guarantor as suitable.

10.4 In case of security by way of withholding, KURZ may deduct a total of 5 % of the gross order value if KURZ pays the withholding on a blocked bank account which can only be jointly disposed by KURZ and the Supplier. In case the security is released to the Supplier, the interest of the blocked account is assigned to the Supplier. If the withholding is deducted of partial payments from KURZ, the respective payment shall be reduced by a maximum of 10 % until the amount of 5 % of the gross order value is reached.

11. Spare Parts and Supply Capability

11.1 The Supplier shall provide spare parts for the period of the foreseeable technical use of the Supply on reasonable terms, but at least for 10 years.

11.2 Regardless of 11.1, the Supplier shall inform KURZ at least 12 months in advance of its intention to discontinue the production of the Supply, in particular the production of spare parts, semifinished products or basic materials for the production of KURZ. KURZ shall be entitled to an order equal to the reference quantity of the preceding 12 months. On request of KURZ, the Supplier shall provide the necessary equipment and documents for the production of the spare parts. KURZ has the right to make use of such equipment and documents free of charge.

12. Quality Assurance

The Supplier shall maintain a certified quality assurance system that meets the requirements of the current technical norms and standards. The Supplier shall provide KURZ with the test reports of the quality assurance measures of the Supply for review. On request of KURZ, the Supplier shall conclude a quality assurance agreement with KURZ. For a period of 11 years the Supplier shall keep the records of the test reports of the final inspection for each Supply and provide them to KURZ upon request for review.

13. Receiving Inspection

13.1 After receipt of the Supply, KURZ shall check whether there are externally recognizable transport damages or Defects. Any damages and/or Defects discovered during or after this check shall be reported by KURZ to the Supplier.

13.2 Notice of Defect may be given within one month from receipt of the Supply or, to the extent that the Defect was first detected during processing or during putting into use, from the time when such Defect was detected.

13.3 KURZ is not obliged to conduct further inspections or give further notifications other than those mentioned above.

14. Liability for Material Defects or Defects in Title

14.1 Claims of KURZ due to Defects shall be time-barred after 3 years, unless the applicable law stipulates a longer limitation period. The limitation period shall start at the time of transfer of risk. In case of direct delivery to a customer of KURZ, the limitation period shall start with the acceptance of the Supply by the customer of KURZ.

14.2 Specifications regarding the Supply do not constitute a conclusive quality agreement of the Parties. The same applies to the properties of the samples presented by the Supplier with regard to material and processing.

14.3 Defects which are detected before or at the time of transfer of risk or which occur during the limitation period, the Supplier shall either repair ("**Subsequent Repair**") or replace with a defect-free Supply ("**Subsequent Delivery**") at its own expense. This shall also apply to a Supply in respect of which the inspection has been limited to random sampling. KURZ shall exercise such choice at its discretion. Subsequent Repair or Subsequent Delivery is hereinafter referred to as "**Supplementary Performance**". The Supplier undertakes to bear the expenses necessary for the purpose of Supplementary Performance, in particular but without limitation transportation costs, travel costs, labor costs and the cost of materials as well as costs of removal and subsequent reinstallation.

15. Indemnification

In the event that a third party makes a claim against KURZ due to a Defect of the Supply, the Supplier shall immediately indemnify KURZ from such claim.

16. Third Party Right

- 16.1 The Supplier shall guarantee that the Supply does not infringe industrial property rights, an application for industrial proprietary rights or any other third party right ("**Third Party Right**"). In case of a culpable breach of a Third Party Right, the Supplier shall indemnify KURZ and/or its customers if any action will be taken against them in or out of court due to a violation of a Third Party Right. In the event of a legal dispute, the Supplier shall provide legal assistance on request. In addition, the Supplier shall compensate for damages which KURZ and/or its customers have suffered due to the fact that they have relied on the unrestricted usability of the Supply (e.g. resale or further processing of the Supply). The damage of a customer of KURZ shall only be compensated by the Supplier, insofar as the customer has asserted a claim against KURZ.
- 16.2 The Supplier shall not be liable as long as it has produced the Supply exclusively according to drawings and models of KURZ and it did not know or ought to have known that the production of this Supply constitutes an infringement of a Third Party Right.
- 16.3 Upon request the Supplier shall name the Third Party Right which the Supplier uses in connection with the Supply. If the Supplier becomes aware of any infringement of a Third Party Right, the Supplier shall notify KURZ immediately and unrequested.

17. Subcontracting, Right of Retention, Setoff

- 17.1 The Supplier may not subcontract the Supply without KURZ's prior written consent. The failure to obtain KURZ's consent to subcontract entitles KURZ to rescind the contract in whole or in part and to claim damages.
- 17.2 The assertion of retention rights against claims of KURZ is excluded, if the right of retention is not based on the same contractual relationship.
- 17.3 The Supplier can only set off a counterclaim against a counterclaim of KURZ if its claim is undisputed or confirmed by a final and unappealable judgment.

18. Materials Provided by KURZ

- 18.1 Insofar as necessary for the production of the Supply, KURZ shall provide material free of charge. The material provided by KURZ shall remain the property of KURZ and shall be stored separately and appropriately, designated, managed and insured by the Supplier free of charge. Their use is only permissible for the production of the Supply or for Supplementary Performance for KURZ. In case of reduction in value or loss of the material provided by KURZ, the Supplier shall be liable for compensation.
- 18.2 18.1 shall also apply for material provided by KURZ to the Supplier for the contract against payment.
- 18.3 The Processing or conversion of the material shall be done by the Supplier for KURZ. KURZ shall become the owner of the new or altered material immediately. The Parties are in agreement that in case the material is provided with other goods which do not belong to KURZ, KURZ shall have co-ownership of the new product in proportion resulting from the ratio of the value of the processed material provided by KURZ to the value of the new product at the time of processing. The Supplier shall store the new product resulting from this processing for KURZ with the due care of a diligent businessman.
- 18.4 After termination of the contract concluded between the Parties, the material provided by KURZ shall be dispatched to KURZ without special request at the expense of the Supplier, provided that KURZ does not agree in writing with any other usage.

19. Drawings, Models, Tools, Molds, Samples etc.

- 19.1 Drawings, models, tools, molds, samples, etc. ("**Objects**"), which are the property of KURZ, shall be made available to the Supplier for the Supply by way of loan. The Supplier shall mark the Objects as property of KURZ. The Supplier waives all rights, in particular rights of retention, for these Objects, which may conflict with the demand of KURZ for the return of the Objects. Objects shall not be disposed of or sold without the prior written consent of KURZ.
- 19.2 The Objects which have been handed over to the Supplier shall be maintained by the Supplier, properly stored, treated with care and insured at the replacement value, especially against risks such as fire, lightning, explosion, water damage, electronic damage, breakage, theft and sabotage. Changes and repairs of the Objects are only permitted with the prior written consent of KURZ.

20. Proof of Origin, Export Regulations

- 20.1 The Supplier shall submit the necessary proof of origin (e.g. certificates of origin) which is necessary for obtainment of customs or other benefits and customs clearance as well as associated procedures, operations etc.
- 20.2 The Supplier shall notify KURZ in writing which of the Supply is subject to export or re-export restrictions (e.g. the foreign trade regulations of the Federal Republic of Germany, and other applicable national or European or international foreign trade laws, US Export Administration Regulations (EAR)).

21. Confidentiality

- 21.1 Each Party shall not without the prior written consent of the other Party pass to third parties information, knowledge, templates, including such documents as illustrations, drawings, plans, construction documents ("**Information**") received from the other Party. This shall not apply to Information which at the time of receipt are generally known or were already known by the receiving Party without being obliged to maintain confidentiality or were transferred by a third party lawfully in possession thereof and who has the lawful power to disclose such Information or were independently developed by the receiving Party without using any Information of the disclosing Party. Information shall be returned by the receiving Party without delay if a contract is not awarded. A right of retention by the receiving Party is excluded.
- 21.2 A third party within the meaning of 21.1 shall not be deemed to be a company affiliated with KURZ as well as a person or company entrusted with the task of performance of the contract by KURZ insofar as they have been obliged to keep confidential in an equivalent manner.
- 21.3 Neither Party shall use the Information received from the other Party for purposes over and beyond the scope of the contract between the Parties without the express written consent of the other Party.
- 21.4 The obligation of confidentiality shall begin upon receipt of the Information and ends 5 years after the end of the business relationship.
- 21.5 The Supplier is not permitted to use company names, logos and brands, or visual representation (e.g. photo, video) of KURZ or to use KURZ products, machinery, etc. as a reference, in documents, images or other publications without the prior written consent of KURZ.

22. Insurance

- 22.1 The costs of insurance of the Supply, in particular a forwarding insurance, are not taken over by KURZ.
- 22.2 The application of the (German) Freight Forwarders Standard Terms and Conditions (ADSp) is excluded.
- 22.3 The Supplier shall, at its expense, conclude an adequate liability insurance for damages to be caused by the Supply. In order to cover the product liability risks, the Supplier shall maintain a business liability insurance, which shall include financial loss caused by damage to products (extended product liability insurance for personal injury and property damage, including damages abroad and the costs of product recall). On request of KURZ the insured sums shall be proven. The conclusion and proof of such insurances do not limit the scope of liability of the Supplier.
- 22.4 KURZ shall insure rental or rented items of the Supplier against the usual risks. Any liability for loss or damage to the goods delivered by the Supplier shall be excluded, except in cases of intentional or gross negligence of KURZ.

23. Termination for Cause

If the Supplier is in default of payment, suspension of payment, opening or applying for bankruptcy, insolvency or composition proceedings or rejection of such due to non-existing assets, protest of a bill, valuation of the Supplier with a high business risk by a recognized information or rating agency, or in the event of comparable sustainable reasons which suggest the insolvency of the Supplier, KURZ is entitled to rescind the contract in full or in part.

24. Assignment

The assignment of a claim or of a right under the contract is permitted only with the prior written consent of the other Party. This shall not apply to a monetary claim.

25. Corporate Social Responsibility

25.1 As a member of the KURZ-Group, KURZ is committed to respect and to observe the KURZ Code of Business Conduct.

25.2 The Supplier confirms to observe the applicable law and legislation; the Supplier shall not tolerate any kind of corruption or bribe, respect basic rights and the ban on child labor and forced labor. Furthermore the Supplier shall take responsibility for the health and safety of its employees, shall ensure a fair compensation and reasonable working hours, shall act in accordance with the applicable environmental laws and shall use its best efforts to promote the observance of these principles among its suppliers.

26. REACH

26.1 The Supplier shall pack, label and dispatch the Supply of substances and mixtures according to the relevant national and international regulations. The Supplier (Article 3 No. 32 Regulation (EC) No 1907/2006 (consolidated version), "**REACH**") shall comply with its duties in accordance with REACH; in particular, the Supplier shall provide KURZ with a safety data sheet (Article 31 REACH) in the official language of the recipient.

26.2 The Supplier guarantees, that the substances and mixtures contained in the Supply are effectively preregistered, registered (or exempted from compulsory registration) and, where relevant, admitted in accordance with REACH. If the Supply is an article (Article 7 REACH), the preceding sentence applies to the released substances and mixtures.

26.3 If a Supply does not yet require registration, the Supplier guarantees that the Supplier has preregistered it in due form and time or that the Supplier has ensured that it has been preregistered by the registrant in due form and time.

26.4 The Supplier shall inform KURZ without delay if it becomes apparent to him that a preregistered substance or mixture will not be registered within the relevant transitional period for the respective substance or mixture. After expiry of such registration period (at the latest), the Supplier shall not deliver to KURZ any Supply containing the substance or the mixture without indicating the missing registration before sending the Supply and expressly requesting KURZ to confirm the order.

26.5 The Supplier of an article (Article 3 No. 33 REACH) shall inform KURZ without delay if the article contains a substance (Article 33 REACH) in a concentration of more than 0.1% by mass (w/w) that meets the criteria ("substances of very high concern") of Articles 57 and 59 or 67 REACH. This also applies to packaging.

27. Conflict Minerals

27.1 The Supplier shall not make any Supply to KURZ including Conflict Minerals or metals and/or metal compounds made or derived from Conflict Minerals ("**Conflict Minerals**"). If the Supplier is unable to fulfill this obligation, the Supplier shall notify KURZ prior to the first delivery in writing of the Conflict Minerals used in the production of the Supply to KURZ. Conflict Minerals shall have the meaning as defined in section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Act**") and the final rule of the Security and Exchange Commission ("**SEC**"), dated 22th of August 2012 ("**Final Rule**") and shall include, without limitation, columbite-tantalite (coltan), cassiterite, gold, wolframite or their derivatives, or any other mineral or its derivatives determined by the US Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country with the exemptions regulated in the final rule.

27.2 In the event such Conflict Materials are used by the Supplier in the production of any Supply, and the Supplier is under the Act and the SEC final rule obliged to file either a FORM SD and/or a Conflict Minerals Report to the SEC, the Supplier shall submit a copy thereof to KURZ.

28. Applicable Law

The substantive law of the Federal Republic of Germany shall apply exclusively. The United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 shall be excluded.

29. Jurisdiction

The exclusive place of jurisdiction is Nuremberg, Germany.