

**General Terms and Conditions (GTC) for Deliveries and Services
for Companies in the Prettl Group
as at: 1 September 2017**

Applicable in business transactions with companies, legal entities under public law and special funds under public law.

1. General Provisions

- 1.1 These GTC apply exclusively to legal relationships between the Supplier and Buyer in relation to deliveries and/or services of the Supplier (hereinafter: Deliveries), including in ongoing business relationships, and to all future business transactions with the Buyer, without this having to be separately stipulated. The Supplier does not recognize any amendments or supplements hereto, or any conditions contrary to these GTC or at variance from the Supplier's conditions, unless this has been confirmed in writing as an addendum to these GTC and their validity thereby agreed. The same applies if the Supplier carries out delivery to the Buyer without reservations in the knowledge of the Buyer's conflicting conditions or conditions at variance from these GTC.
- 1.2 The term "compensation claims" in these GTC includes claims for refund of wasted expenditure.

2. Offers

- 2.1 Offers from the Supplier are subject to confirmation and non-binding, unless the Supplier has explicitly designated them in written form as binding. Declarations of acceptance and orders from the Buyer, if classified as an offer pursuant to Article 145 of the Civil Code ("BGB"), only take binding effect through the written order confirmation of the Supplier. The Supplier has twelve working days to accept the Buyer's orders from the time of receipt.
- 2.2 Documents forming part of the Supplier's offer pursuant to section 2.1, such as illustrations, drawings, etc., and resultant measurement and weight specifications are only indicative, unless the Supplier has explicitly designated this as binding in writing. The same applies to usage data. The Supplier is subject to customary tolerances within the framework of what is reasonable for the Buyer.
- 2.3 The Supplier reserves proprietary rights, copyrights and all other rights to all drawings, samples, prospectuses, technical specifications, sketches, catalogues and other documents, and to other business and technical information from the Supplier. Such items may not be made available to third parties, commercially used or reproduced without the written consent of the Supplier, and shall be returned to the Supplier without delay if the order is not to be issued, or after the end of the business relationship, at the request of the Supplier, including all copies produced thereof. The Buyer shall only make such documents and/or information available to persons who need to make use of them and who are also subject to a confidentiality obligation. This does not apply if such documents and/or information are demonstrably publicly known or the Supplier has designated them for resale by the Buyer.
- 2.4 The IATF 16949, ISO 9001 and other quality standards are only applicable if and to the extent that the supplier has expressly given its written consent to the implementation of the respective quality standard.

3. Prices

- 3.1 Prices shall be understood as ex works, excluding postage, freight, insurance and packaging, plus relevant effective statutory VAT. The prices confirmed by the Supplier in its order confirmation shall apply. If the Supplier has agreed a delivery time of more than 8 weeks from receipt of the Buyer's order in the contract with the Buyer, and cost factors at the Supplier have increased, for example due to rising costs, in particular as a result of increases in wage costs, collective wage agreements and/or material price increases, an equivalent price increase is therefore deemed to have been agreed with the Buyer. The Supplier shall verify such cost increases to the Buyer upon request. If the price increase amounts to more than 15% of the price agreed with the Buyer in the contract, the Buyer shall be entitled to a right of termination.
- 3.2 Deliveries of spare parts and the return of repaired goods are carried out, unless covered by defects liability, in return for the charging of a reasonable flat rate for forwarding and packaging costs, in addition to remuneration of the service provided by the Supplier. If the Supplier has declared its willingness to take back delivered goods as a goodwill gesture without any legal obligation, the Supplier charges a flat rate of 15% of the net purchase price of the affected goods as reimbursement for placing them back in storage and administrative expenditure.
- 3.3 If the Supplier has undertaken installation, assembly or any other service and nothing has been agreed to the contrary, in addition to the agreed remuneration, the Buyer shall assume all necessary ancillary costs, such as travel and transport costs, daily allowances and expenses.

4. Payment Terms

- 4.1 Payments shall be made free of transaction charges to the Supplier's account. The invoice sum is due immediately. Supplier invoices shall be payable within 14 days of the invoice date, without any deductions. Payment by cheque is excluded. A precondition for any agreed discount by the Supplier is that the Buyer's account does not display any other due invoice amounts and all payment deadlines shall be observed, including for partial payments. The Supplier is entitled to settle payments on the oldest due claim. However, at its discretion, the Supplier may also make delivery dependent on concurrent payment (e.g. through cash on delivery or a bank direct debit scheme) or on advance payment or security deposit. This applies in particular if the Supplier is aware of circumstances which call the Buyer's creditworthiness into question, in particular if one of the Buyer's cheques is not honoured or the Buyer suspends its payments. In case of exceeding the specified payment date, the Supplier may demand default interest of 8 percentage points above the base rate, pursuant to Article 247 of BGB. The Supplier reserves the right to verify greater damage caused by delay.
- 4.2 The Buyer may not offset the Supplier's claims against counterclaims which are contested by the Supplier or which have not been legally established.

5. Retention of Title

- 5.1 The objects of deliveries (retained goods) remain the property of the Supplier until fulfilment of all claims due to it against the Buyer under the legal relationship. If the value of all security interests to which the Supplier is entitled exceeds the level of all secured claims by more than 20%, the Supplier shall release an equivalent share of security interests at the Buyer's request; the Supplier is entitled to choose between security interests in the event of release.
- 5.2 In the course of retention of title, the Buyer is prohibited from pledging or assignment as security, and resale is only permitted to resellers in the usual course of business and only under the condition that the reseller receives payment from its client or makes a proviso that ownership only transfers to the client if it has fulfilled its payment obligations.
- 5.3 If the Buyer resells retained goods, it hereby cedes future claims against its clients based on resale, with all ancillary rights - including any account balance claims -, to the Supplier as security, without requiring any further specific declarations. If retained goods are resold in combination with other objects, without a unit price having been agreed for the retained goods, the Buyer cedes the share of the total price claim to the Supplier which is equivalent to the price of retained goods invoiced by the Supplier.
- 5.4 The Buyer is permitted to handle retained goods or mix or combine them with other objects. Handling is carried out on behalf of the Supplier. The Buyer shall safeguard new items generated on behalf of the Supplier with the care of a prudent businessman. The new item is regarded as a retained good. The Supplier and Buyer hereby agree that in case of combination or mixing with other objects not belonging to the Supplier, it is entitled to joint ownership of the new item in each case, in a share revealed by the ratio of the value of the combined or mixed retained good to the value of other goods at the time of combination or mixing. The new item is also regarded as a retained good in this respect. The provision on assignment of claims also applies to new items, pursuant to section 5.3. However, the assignment only applies up to an amount equivalent to the value invoiced by the supplier for handled, combined or mixed retained goods. If the Buyer combines retained goods with land or moveable objects, it shall also cede its due claim - as remuneration for such combination - to the Supplier, with all ancillary rights as security, in the amount of the ratio of the value of combined retained goods to other combined goods at the time of combination, without any further specific declarations being required.
- 5.5 Until cancelled, the Buyer is entitled to collect assigned claims based on resale. If an important ground exists, in particular in case of delayed payment, suspension of payment, filing of insolvency proceedings, bill protest or justified evidence of the Buyer's excessive indebtedness or imminent inability to pay, the Supplier is entitled to revoke the Buyer's direct debit. Moreover, after prior warning, the Supplier - in observance of a reasonable deadline - may disclose assignment as collateral, realize assigned claims and demand the disclosure of assignment as collateral to the client by the Buyer.
- 5.6 The Buyer shall immediately notify the Supplier of any distraint procedures, sequestrations or other disposals or interventions by third parties. In case of substantiation of a legitimate interest, the Buyer shall issue the necessary information to the Supplier on enforcement of its rights against the client and shall hand over necessary documents.
- 5.7 In case of breach of obligations by the Buyer, in particular in the event of delayed payment, the Supplier - following unsuccessful expiry of a reasonable deadline for the Buyer - is entitled to indemnification alongside retraction, and to withdrawal; the statutory provisions on the expendability of deadlines are not affected. The Buyer is subject to an obligation to return. No cancellation of the contract is included in retraction or enforcement of retention of title, or distraint of retained goods by the Supplier, unless explicitly stated by the Supplier.

6. Delivery and Performance Deadlines; Delay

- 6.1 Delivery deadlines which the Supplier has not explicitly agreed with the Buyer in writing as binding solely constitute non-binding data. In case of doubt, the delivery deadline begins upon dispatch of the order confirmation by the Supplier.
- 6.2 The observance of deadlines for deliveries requires timely receipt of all documents, necessary licences and approvals to be supplied by the Buyer, including plans, and observance of the agreed payment terms and other obligations by the Buyer. If these conditions are not fulfilled on time, the deadlines shall be extended appropriately; this does not apply if the Supplier is responsible for the delay.
- 6.3 If non-observance of agreed delivery deadlines can be attributed to acts of God, e.g. mobilization, war, riots or similar events, such as strikes, lockouts, etc., the deadlines shall be extended appropriately. The same applies to the case of late or incorrect delivery by the Supplier, or one of its suppliers.
- 6.4 If the Supplier culpably falls into default, the Buyer - if it can prove that it has incurred damage as a result - may demand compensation of 0.5% for each full week of delay, but to a maximum of 5% of the net price for the share of deliveries which could not be placed in serviceable operation due to the delay.
- 6.5 Any compensation claims of the Buyer for delayed delivery, or compensation claims in lieu of service performance, beyond the limits specified in section 6.4, are excluded in all cases of delayed delivery, even after expiry of a delivery deadline for the Supplier. This does not apply where liability is compulsory in cases of intent, gross negligence or due to injury to life, limb or health. The Buyer may only withdraw from the contract within the framework of statutory provisions if the Supplier is responsible for the delayed delivery. The above provisions are not associated with a change in the burden of proof to the detriment of the Buyer.

**General Terms and Conditions (GTC) for Deliveries and Services
for Companies in the Prettl Group
as at: 1 September 2017**

- 6.6 At the request of the Supplier, the Buyer is obliged to declare, within a reasonable deadline, whether it intends to withdraw from the contract or insist on delivery as a result of the delay in delivery.
- 6.7 If dispatch or notified delivery is delayed - at the request of the Buyer - by more than one month following notification of readiness for dispatch, the Buyer may be charged for storage in an amount of 0.5% of the price of the objects included in the deliveries, but to a maximum of 5%, for each additional commenced month. The contractual parties are at liberty to verify higher or lower storage costs.

7. Transfer of Risk

- 7.1 Delivery is carried out "ex works", unless the Supplier has explicitly agreed to the contrary with the Buyer. The risk of accidental demise and accidental deterioration of items delivered by the Supplier therefore transfers to the Buyer upon handover or collection by the person responsible for transport, unless the Supplier has expressly accepted the dispatch or assembly of the delivered object in writing. The same applies if part deliveries are carried out.
- 7.2 In case of deliveries with installation or assembly, risk transfers to the Buyer on the date of acceptance into its own operations or, where agreed, following flawless trial operation.
- 7.3 If dispatch, notified delivery, start, performance of installation or assembly, acceptance into its own operations or trial operation are delayed for reasons attributable to the Buyer, or the Buyer falls into acceptance default for other reasons, risk transfers to the Buyer when acceptance default occurs.

8. Receipt

- 8.1 The Buyer may not refuse receipt of deliveries due to insignificant defects.
- 8.2 Partial deliveries are permitted if reasonable for the Buyer.

9. Installation and Assembly

The following provisions apply to installation and assembly, unless agreed to the contrary in writing:

- 9.1 The Buyer shall undertake and supply the following services in good time at its own expense:
- all excavations, construction works and related tasks in other sectors, including the necessary skilled and unskilled staff, building materials and tools,
 - commodities and materials required for assembly and start-up, such as scaffolding, hoists and other devices, fuels and lubricants,
 - energy and water at the point of use, including fittings, heating and lighting,
 - sufficiently large, suitable, dry and lockable rooms at the installation site for storing machine parts, equipment, materials, tools, etc., and appropriate work and recreation areas for assembly personnel, including circumstances of appropriate sanitation; otherwise the Buyer shall take measures to protect the Supplier's property and assembly personnel at the building site, as it would do to protect its own property,
 - protective clothing and safety devices, as required by the specific circumstances of the installation site.
- 9.2 Prior to the start of assembly works, the Buyer shall provide the necessary data on the location of concealed power supply lines, gas and water pipes, or similar equipment, and necessary static data, without being requested to do so.
- 9.3 Prior to the start of installation or assembly, the necessary material supplies and objects for the start of works shall be located at the installation or assembly site and all preliminary works shall be far enough advanced before the start of construction so that installation or assembly can be commenced as agreed and performed without interpretation. Access roads and the installation or assembly site shall be levelled and cleared.
- 9.4 If there is a delay in installation, assembly or start-up caused by circumstances for which the Supplier is not responsible, the Buyer shall to a reasonable extent assume the costs of idle time and additionally required journeys by the Supplier or assembly personnel.
- 9.5 The Buyer shall certify the working hours of assembly personnel and the end of any installation, assembly or start-up for the Supplier each week without delay.
- 9.6 If the Supplier requests acceptance of delivery following completion, the Buyer shall conduct this procedure within two weeks. If it fails to do so, acceptance is deemed to have been issued. Similarly, acceptance is deemed to have been issued if the delivered good - where appropriate following completion of an agreed test phase - has been placed in use.

10. Material Defects

The Supplier shall be liable for material defects as follows:

- 10.1 All those parts or services which have a material defect shall, at the discretion of the Supplier, be repaired, supplied as new or performed as new, free of charge, provided the cause of defect already existed at the time of transfer of risk.
- 10.2 Claims for supplementary performance become statute-barred in 12 months from the start of the statute of limitation; the same applies to cancellation and mitigation. This deadline does not apply where the law, pursuant to Article 438(1) subsection 2 (buildings and items for buildings), Article 479(1) (right of recourse) and Article 634a(1) subsection 2 (construction defects) of the Civil Code (BGB), sets out longer deadlines, in case of intent, fraudulent concealment of the defect or in case of non-observance of a quality guarantee. The statutory provisions on suspension of the statute of limitation, suspension and restart of deadlines are not affected.
- 10.3 The Buyer's notices of defects shall be issued in writing without delay.
- 10.4 In case of notices of defects the Buyer's payments may be retained to the extent that they are in reasonable proportion to the occurred material defects. The Buyer may only retain payments if a notice of defects is enforced, and no doubt exists about its justification. No right of retention exists for the Buyer if its defect claims

are statute-barred. If the notice of defects has been wrongly issued, the Supplier is entitled to demand compensation from the Buyer for incurred expenditure.

- 10.5 The Supplier is given the opportunity to ensure supplementary performance within a reasonable deadline.
- 10.6 If supplementary performance proves a failure, the Buyer - regardless of any compensation claims pursuant to section 10.10 - may withdraw from the contract or reduce remuneration.
- 10.7 No defect claims arise in case of merely an insignificant deviation from the agreed quality, in case of a merely insignificant adverse effect on usability, in case of natural wear and tear or damage arising following transfer of risk due to defective or negligent handling, excessive load, unsuitable equipment, defective construction works, unsuitable building ground or as a result of specific external influences which are not required under the contract, and in case of software errors that cannot be reproduced. If inappropriate modifications or repair works are carried out by the Buyer or by third parties, no defect claims shall arise for such or for the consequences thereof.
- 10.8 The Buyer's claims for necessary expenditure related to the purpose of supplementary performance, in particular transport, shipping, labour and material costs, are excluded if expenditure increases because the object of delivery has subsequently been shipped to a location other than the Buyer's business location, unless such shipment complies with its normal use.
- 10.9 The Buyer only has rights of recourse against the Supplier pursuant to Article 478 of BGB (recourse of the contractor) if the Buyer has not entered into any agreements with its customers beyond statutory defect claims. Moreover, section 10.8 hereof applies accordingly to the scope of the Buyer's right of recourse against the Supplier, pursuant to Article 478(2) of BGB.
- 10.10 The Buyer's compensation claims for a material defect are excluded. This does not apply to fraudulent concealment of the defect, non-observance of a quality guarantee, injury to life, limb or health or freedom, or to an intentional or grossly negligent breach of obligation by the Supplier. The above provisions are not associated with a change in the burden of proof to the detriment of the Buyer. Any further Buyer claims, or claims other than those set out in these GTC for a material defect, are excluded.

11. Intellectual Property Rights; Legal Defects

- 11.1 Unless agreed to the contrary, the Supplier is obliged only to perform delivery in the country of location of the Supplier, free from intellectual property rights of third parties (hereinafter: Property Rights). If a third party files justified claims against the Buyer for breach of property rights as a result of goods deliveries used as specified in the contract and performed by the Supplier, the Supplier shall be liable to the Buyer as follows within the deadline specified in section 10.2:
- The Supplier shall, at its discretion and at its own expense, obtain a right of use for the affected deliveries, modify them in such a way that property right is not violated, or replace them. If it is not possible for the Supplier to do so under reasonable conditions, the Buyer shall be entitled to statutory withdrawal or mitigation rights.
 - The Supplier's obligation to pay compensation complies with section 13 of these GTC.
 - The Supplier's obligations specified above only arise if the Buyer notifies the Supplier immediately in writing of any claims enforced by the third party, fails to acknowledge a violation, and the Supplier reserves the right to take all defensive measures and conduct settlement negotiations. If the Buyer suspends use of the delivered goods on grounds of damage mitigation or other important grounds, it is obliged to refer the third party to the fact that the suspension of use is not associated with an acknowledgement of a violation of property rights.
- 11.2 The Buyer's claims are excluded if it is responsible for the violation of property right.
- 11.3 Moreover, the Buyer's claims are also excluded if the violation of property right is brought about by special requirements of the Buyer, by usage which could not be foreseen by the Supplier or by the delivered goods being altered by the Buyer or used in conjunction with products not delivered by the Supplier.
- 11.4 In the event of violations of property rights, the provisions of sections 10.4, 10.5 and 10.9 apply accordingly to the Buyer's claims, as set out in section 11.1.
- 11.5 In the event of other legal defects, the provisions of section 10 apply accordingly.
- 11.6 Further claims, or claims of the Buyer other than those set out in section 11 hereof against the Supplier and its vicarious agents for a legal defect, are excluded.

12. Impossibility; Contract Amendment

- 12.1 If delivery is impossible, the Buyer is entitled to demand compensation, unless the Supplier is not responsible for the impossibility. However, the Buyer's compensation claim is limited to 5% of the value of the share of delivery which cannot be placed in serviceable operation due to such impossibility. This limitation does not apply if liability is compulsory in cases of intent, gross negligence or due to injury to life, limb or health; this is not associated with a change in the burden of proof to the detriment of the Buyer. The right of the Buyer to withdraw from the contract is not affected.
- 12.2 Where unforeseeable events, pursuant to section 6.3, significantly alter the economic importance or the content of the delivered goods, or have a considerable impact on the operation of the Supplier, the contract shall be amended appropriately, in good faith. Where this is not economically justifiable, the Supplier is entitled to withdraw from the contract. If it intends to exercise this right of withdrawal, it shall notify the Buyer hereof immediately after becoming aware of the importance of the event and even if an extension of the delivery time has first been agreed with the Buyer.

**General Terms and Conditions (GTC) for Deliveries and Services
for Companies in the Prettl Group
as at: 1 September 2017**

13. Other Compensation Claims, Statute of Limitation

- 13.1 Compensation claims of the Buyer on any legal grounds, in particular due to breach of requirements under the contractual obligation and unlawful acts, are excluded.
- 13.2 This does not apply if liability is compulsory, e.g. under the Product Liability Act, in cases of intent, gross negligence, due to injury to life, limb or health or due to breach of essential contractual obligations. A compensation claim for breach of essential contractual obligations is however limited to foreseeable damage typical of the contract, unless compulsory liability arises for intent or gross negligence or due to injury to life, limb or health. The above provisions are not associated with any change in the burden of proof to the detriment of the Buyer.
- 13.3 If the Buyer is entitled to compensation claims, these shall become statute-barred upon expiry of the applicable statute of limitation under section 10.2. The same applies to the Buyer's claims in relation to damage prevention measures (e.g. product recalls). The statutory limitation regulations apply in case of compensation claims under the Product Liability Act.

14. Place of Performance, Court of Jurisdiction

- 14.1 Unless revealed to the contrary under the contract, the place of performance is the registered office of the Supplier.
- 14.2 Unless there are compelling grounds for another local jurisdiction under the law, the court of jurisdiction for all legal disputes arising directly or indirectly from contractual relationships which form the basis for these GTC is Tübingen. Reutlingen District Court (72764 Reutlingen) is responsible for procedures at the district courts. However, the Supplier is entitled, at its discretion, to bring actions against the Buyer at the Buyer's business location or branch office location, or at the responsible court for the place of performance.

15. General Provisions

- 15.1 In the event of any contradictions between the German and English version of these GTC, in case of doubt, the German version shall take precedence.
- 15.2 German law exclusively applies to any disputes under this contractual relationship and to contractual relationships between the Supplier and Buyer, in exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG) and conflict of laws.
- 15.3 Should any provision of these terms and conditions and further agreements be or become ineffective, the validity of the remaining conditions is not affected. The contractual partners are obliged to replace the ineffective provision by a regulation which comes closest to the original in terms of economic outcome. The same applies accordingly to regulatory loopholes.