

**General Purchase
Conditions of
LEANTECHNIK AG**

1 General

1.1

The LEANTECHNIK AG Purchase Conditions apply exclusively; any Terms and Conditions published by the supplier that contradict or depart from these Purchase Conditions and in particular the supplier's sales and delivery conditions shall not be recognised by LEANTECHNIK AG except in cases where LEANTECHNIK AG has expressly accepted the validity of such terms and conditions in writing in its order. LEANTECHNIK AG objects any additional, conflicting or contradictory terms or conditions in offers, order confirmations or confirmations by the supplier. The present Purchase Conditions shall also apply, if LEANTECHNIK AG, while being aware of any supplier conditions deviating from or conflicting with the Purchase Conditions of LEANTECHNIK AG, accepts or pays for the delivery of products, machines, tools, raw materials, software, equipment, parts, or any other materials and services (e. g. work performance of any kind or services, like e. g. assemblies, construction site work, acceptances and commissioning) of the supplier (hereinafter referred to as: "subject of agreement"). The present Purchase Conditions apply to procurement processes, like e. g. products, machines, tools, raw materials, software, equipment, parts, and other materials and services (e. g. work performance of any kind or services, like e. g. assemblies, construction site work, acceptances and commissioning).

1.2

The LEANTECHNIK AG Purchase Conditions shall also apply to all future deliveries and services provided by the supplier to LEANTECHNIK AG. Unless agreed otherwise, the General Purchase Conditions shall apply as amended at the time of an order placed by the customer and/or in any case in the textual form provided as a framework agreement also for similar future contracts without requiring a special notification in every individual case.

1.3

Legally valid statements and notifications to be provided by the supplier to us subsequently to the contract closure (e. g. deadlines, reminders, notice of withdrawal) shall only be valid if made in writing.

2 Conclusion of Contract and Modifications to the Contract

2.1

Offers shall be submitted to LEANTECHNIK AG free of charge.

2.2

The supplier shall expressly state any deviations from the request for proposal in its offer to LEANTECHNIK AG.

2.3

Orders, agreements, framework agreements and call-offs, as well as any modifications or extensions to these, must be made in writing.

2.4

The contents of our written order shall apply exclusively. Oral agreements prior to or at the time of conclusion of the contract are not valid unless confirmed in writing by LEANTECHNIK AG. Paragraph 2.1 shall remain unaffected thereof. Oral agreements following the conclusion of the contract, and in particular subsequent modifications and extensions to the LEANTECHNIK AG Purchase Conditions – including the present clause relating to the

requirement for the written form – as well as additional agreements of any type shall also not be applicable unless confirmed in writing by LEANTECHNIK AG.

2.5

Cost estimates are binding and shall give rise to no remuneration unless expressly agreed to the contrary.

2.6

The seller shall be obligated to confirm the order within 2 weeks in writing and in particular by shipping the goods without reservation.

A delayed acceptance shall be considered as a new offer and shall be subject to the agreement by LEANTECHNIK AG.

3 Delivery, Delivery Scope and Delivery Date

3.1

The delivery shall include all parts required for the contractual use and according to the agreed quality, even if such parts are not fully mentioned in the order text.

3.2

The supplier will review all specifications, scopes of work and other information, as well as any provisions, parts and other materials provided for the performance of the delivery contract with regards to their suitability for the purpose intended by LEANTECHNIK AG and the final customer of LEANTECHNIK AG. If deviations to or corrections of the provided materials or the subject of agreement are required or advisable, the supplier shall inform LEANTECHNIK AG immediately. LEANTECHNIK AG will inform the supplier consequently in writing whether and which modifications, if any, the supplier shall perform. If the supplier considers that such modifications could lead to a change of the agreed costs of the subject of agreement or the agreed deadlines cannot be met due to such modifications, the supplier shall be obligated to immediately inform LEANTECHNIK AG hereof. The parties shall mutually agree upon the consequences with regards to the increased or reduced costs and the agreed deadlines within a reasonable time. If such agreement cannot be reached within a reasonable period of time, LEANTECHNIK will decide at its equitable discretion.

3.3

The supplier will ensure that it is aware in due time of any and all information and circumstances that are relevant for the fulfilment of its contractual obligations and the intended use by LEANTECHNIK AG of its deliveries. The supplier can only assert a lack of required documents, if the supplier has requested such documents in writing in due time and has not received these documents within a reasonable period. The supplier must make sure that the supplier's deliveries include all services required for a proper and safe use. In addition, the supplier must make sure that the deliveries are suited for the intended purpose and correspond to the current state of the art.

3.4

The supplier will observe all relevant standards, laws and legal provisions and in particular safety, environmental, hazardous substance and accident prevention regulations under any applicable law, as well as the generally accepted safety-technical rules and corresponding specifications provided by LEANTECHNIK AG and the final customer.

3.5

LEANTECHNIK AG shall be entitled to request amendments of the deliveries and in particular engineering and design modifications at any time prior to the acceptance. The supplier agrees to implement such modifications immediately based on the existing contract conditions. If the supplier considers that such modifications could lead to a change of the agreed costs of the subject of agreement or the agreed deadlines cannot be met due to such modifications, the supplier shall be obligated to immediately inform LEANTECHNIK AG hereof. The parties shall mutually agree upon the consequences with regards to the increased or reduced costs and the agreed deadlines within a reasonable time. If such agreement cannot be reached within a reasonable period of time, LEANTECHNIK will decide at its equitable discretion.

3.6

Deviations from orders are permitted only following LEANTECHNIK AG's prior written approval.

3.7

Agreed deadlines and periods of fulfilment are binding. Compliance with delivery deadlines or delivery periods shall be determined on the basis of the time of reception by LEANTECHNIK AG. Unless agreed otherwise, the place of performance shall be the registered office of LEANTECHNIK AG in Oberhausen. The supplier shall bear the packaging, transport and insurance costs.

3.8

If the supplier has assumed responsibility for installation or assembly, and in the absence of any agreement to the contrary or unless other provisions apply, the supplier shall bear all necessary additional expenses such as, for example, travel expenses, out-of-pocket expenses, accommodation expenses, the provision of tools and other utilities, and per diem allowances.

3.9

If agreed deadlines are not adhered to then the relevant legal provisions shall apply. If the supplier should foresee any difficulties relating to manufacture, materials provisioning, adherence to delivery deadlines or other circumstances that might prevent it from delivering its products or services on time or delivering them in the agreed quality, the supplier must inform LEANTECHNIK AG of this in writing without delay.

3.10

The acceptance without reservation of deliveries or services supplied after the agreed deadline does not imply any renunciation of claims to damages accruing to LEANTECHNIK AG due to the late delivery or service.

3.11

Partial deliveries are not permitted unless LEANTECHNIK AG has expressly agreed to these.

3.12

Unless evidence to the contrary is presented, the values determined by LEANTECHNIK AG during its incoming goods inspections shall be deemed correct for the determination of quantities, weights, dimensions etc.

3.13

LEANTECHNIK AG has the right to use software that forms part of the scope of product delivery, together with the associated documentation, to the extent provided for by law (§§ 69a ff. of the German Copyright Act), as well as to use the agreed performance features of such software to the extent required for the

use of the product as provided for in the contract. LEANTECHNIK AG may also make a back-up copy without any express agreement being required.

3.14

All deliveries must be accompanied by a delivery note in two copies, indicating the order number, the item number (if available), the delivery quantity and the order date, unless specified otherwise in the order.

3.15

The supplier must make the goods available in due time under consideration of the usual lead time for loading and shipment, unless a delivery freight prepaid to the Customer's site has been agreed. The supplier shall be liable for transport damages also in the latter case.

3.16

In case of a late delivery on account of the supplier and if no liquidated damages have been agreed, LEANTECHNIK AG shall be entitled to request a lump-sum reimbursement of its damages caused by the delay, amounting to 0.5 % of the net price per full calendar week, but in no case exceeding 5 % of the net price of the delayed goods or services. LEANTECHNIK AG reserves the right to assert any evidenced higher damage. The supplier shall be entitled to evidence that LEANTECHNIK AG has not incurred any damage or only a significantly lower damage.

3.17

The acceptance of a delayed delivery or service without reservation does not imply a waiver by LEANTECHNIK AG of its reimbursement claims related to such delayed delivery or service until the complete settlement of the amount to be paid by LEANTECHNIK AG.

3.18

Any further legal right shall remain unaffected.

3.19

Any subcontracting of orders to third parties requires the prior written approval of LEANTECHNIK AG. In case of a breach of the present Purchase Conditions by the supplier, LEANTECHNIK AG shall be entitled to terminate the contract for cause with immediate effect (termination for cause).

4 Software

4.1

If and to the extent that the supplier is obligated to provide software deliveries, the supplier will grant LEANTECHNIK AG a non-exclusive, transferable and time- and place-unlimited licence. The licence fee shall be included in the agreed price.

4.2

In case of existing third-party intellectual property rights and copyrights with regards to the software, the supplier will procure that LEANTECHNIK AG is granted a licence with the extent stipulated in paragraph 4.1 and 4.3.

4.3

LEANTECHNIK AG shall furthermore be entitled to reproduce, edit or decompile the software to the extent that this is required to enable the compatibility of the software with other software programmes or to correct software errors.

5 Construction Sites and Assembly Conditions for Services provided to LEANTECHNIK AG

5.1

If the supplier provides services or any part thereof at the construction site (place of performance) of LEANTECHNIK AG or any third-party construction site upon LEANTECHNIK AG's request, the supplier agrees to observe all legal safety and accident prevention regulations applicable for the work entrusted to the supplier.

5.2

The supplier shall select its employees for certain safety-critical activities with due care. The supplier shall assign a site manager for the overall construction period until the date of acceptance and notify the site manager's name in writing to LEANTECHNIK AG. Any change of the site manager must be notified immediately to LEANTECHNIK AG and is subject to the approval by LEANTECHNIK AG.

5.3

The supplier agrees to inspect the construction site already upon the submission of its offer and/or during the contract negotiations. Any obstacles and difficulties must be clarified and priced in the offer submission and/or during the contract negotiations. If the supplier fails to notify such obstacles and difficulties, all obstacles and difficulties impairing the proper performance that are identifiable during a careful inspection shall be included in the agreed prices.

5.4

The supplier must observe all safety-relevant regulations and understand all conduct rules at the construction site prior to and during the performance of the works, and shall be obligated in particular, to:

- a) Make sure that all deployed employees participate in a first briefing organised by the site coordinator. The supplier's site manager will ensure that all deployed employees have signed the safety briefing. New employees must be reported to the site coordinator prior to their first deployment. Employees may only be deployed after having completed the safety briefing and subject to the new employee having confirmed the completion in writing. LEANTECHNIK AG will inform the supplier in case where no safety briefing is required. The supplier shall be obligated to obtain information about an eventual safety briefing. If no safety briefing is required, the performance of the supplier's deliveries shall begin as agreed in the order.
- b) The supplier's site manager will inform new employees about the specific conditions of the construction site (organisation, locations, safety facilities).
- c) The construction site must be cleaned up regularly.
- d) The supplier shall ensure that its staff fully attends the safety briefings organised by the site coordinator.
- e) All safety signs must be strictly observed.
- f) The site coordinator's instructions must be followed.
- g) Commission areas may only be entered with the prior approval of and in coordination with the plant commissioning contractor.

5.5

The supplier will provide all required safety equipment, unless agreed otherwise in the respective order. If the supplier identifies any safety deficiencies during the performance of its deliveries, the supplier must interrupt the work and report the identified

deficiencies to the site coordinator or the project manager assigned by LEANTECHNIK AG. The supplier will resume its work only after the deficiencies have been inspected.

5.6

The supplier shall be responsible for the compliance of its employees with the safety regulations. The supplier will inform the site coordinator in advance about the planned start date and date of completion as well as the place and the staff deployment for its work.

5.7

In case of a repeated violation of the safety regulations, LEANTECHNIK AG shall be entitled to terminate the contract.

5.8

The supplier shall bear the risk of accidental perishing or deterioration in relation to any equipment or materials provided to the supplier by LEANTECHNIK AG.

5.9

In addition, the supplier agrees to provide the following deliveries, which are included in the agreed prices:

- a) Preparation of all as-is drawings and revision plans, as well as the submission of operating manuals, operating instructions and maintenance instructions (mutually referred to as "documentation" hereinafter) prior to the acceptance of the deliveries, unless agreed otherwise.
- b) The documentation must be provided free of charge in German and English language in paper and electronic format respectively to LEANTECHNIK AG prior to the acceptance of the deliveries. LEANTECHNIK AG shall be entitled to request the documentation in other languages. If LEANTECHNIK AG requests other language versions, the supplier will submit a reasonably priced offer. The supplier shall be responsible for the complete and accurate translation into the requested language.
- c) The supplier shall be liable for all expenses and costs incurred by LEANTECHNIK AG and its final customers resulting from a defective documentation.
- d) If the supplier fails to submit the documentation to LEANTECHNIK AG in due time, LEANTECHNIK AG will not accept the deliveries. If LEANTECHNIK AG decides to accept the delivery irrespectively of the aforementioned provision, such acceptance shall not exempt the supplier from its liability for a defective documentation. The supplier shall furthermore not be entitled to payment claims, if he fails to submit the requested documentation to LEANTECHNIK AG even after the acceptance of the delivery by LEANTECHNIK AG.
- e) The supplier agrees to support LEANTECHNIK AG in preparing a documentation for the final customer of LEANTECHNIK AG. This delivery will be offered in advance by the supplier for a reasonable price.
- f) The supplier shall be responsible for the disposal of all packaging materials, waste, etc. related to this order.
- g) The supplier must provide at least one employee capable of speaking German at the construction site (also abroad) for all key functions.
- h) The supplier must review and follow up all documents provided to it for completeness and pertinence, including the subsequent control of all information in-

cluded therein. The supplier shall report any identified or assumed discrepancies immediately in writing to LEANTECHNIK AG.

- i) The supplier shall observe the generally accepted codes of practice and common trade usage rules. To the extent that the construction practice includes written or unwritten rules that require certain material or performance characteristics, such characteristics shall be deemed as contractually agreed quality characteristics. If various technically feasible performance options are available, the option offering the better quality, shall be applied.

5.10

Subject to paragraph 5.1 the supplier agrees to provide any materials (e. g. construction and other materials, spare parts), as well as utilities (i. e. tools, equipment, machines, vehicles, scaffolds, construction sheds, energy water, etc.) required for the performance of the delivery without additional costs. The supplier shall provide corresponding delivery notes for the delivery of the aforementioned materials to the operations of LEANTECHNIK AG and its final customers. The supplier must remove any excess materials and utilities that are no longer needed, immediately upon completion of the order. When leaving the operations of LEANTECHNIK AG, the supplier shall evidence the prior delivery. The supplier agrees to allow LEANTECHNIK AG and/or third parties designated by LEANTECHNIK AG the shared use of the provided utilities.

5.11

If a provision of materials and/or utilities or any part thereof by LEANTECHNIK AG has been agreed, the supplier agrees to collect such materials and/or utilities at the respective locations of LEANTECHNIK AG's operations, indicating the order number and the intended use, and to inspect such materials and utilities immediately. The related risk shall pass to the supplier upon handover. Any complaints must be notified to LEANTECHNIK AG immediately in writing. LEANTECHNIK AG rejects any later complaints. The supplier shall be responsible for the storage and safeguarding of the materials and utilities. When leaving the operations of LEANTECHNIK AG, the supplier shall evidence the prior delivery of materials and utilities. LEANTECHNIK AG assumes no liability for materials and utilities delivered by the supplier and other properties of the supplier stored at the construction site and shall not be obligated to indemnification. The supplier shall be responsible for insuring the materials and utilities against fire and explosion risks.

5.12

Unless specified otherwise in the individual order, the assembly or similar services are part of the agreed fixed-price charge.

5.13

If a consideration based on hourly rates has been agreed in an individual order, the supplier will invoice the actual expenditure by including an hourly time sheet signed by the LEANTECHNIK AG project manager. Invoices without an included and signed hourly time sheet cannot be processed and the respective payment will not become due and payable.

5.14

Unless agreed otherwise in the individual order, the fixed price charge and the hourly-rate charge include all expenditures of the supplier, and in particular travel and accommodation costs, out-of-pocket expenses, material costs, the use of facilities, etc.

5.15

If the supplier must perform any work at times or under conditions deviating from the stipulated order conditions or require additional expenses for reasons, for which the supplier is not accountable, the supplier shall inform LEANTECHNIK AG about such additional expenses and obtain the approval from LEANTECHNIK AG prior to performing the additional work. If the supplier fails to inform LEANTECHNIK AG accordingly, the supplier shall not be entitled to claim reimbursement for the additional expenses.

5.16

The following conditions apply subject to paragraph 10.1 and 10.2 for all assembly, construction site and commissioning services. The agreed prices include the fees for all services required to deliver the order (in particular staff, materials, utilities and the deliveries described in the present conditions). This also includes deliveries not expressly mentioned in the order, as well as all required test runs and commissioning activities to the extent that these are part of the corresponding individual deliveries. The agreed prices also include all services, ancillary services and measures up to the acceptance that are required to protect the deliveries from damages and weather impacts. The agreed price shall remain unaffected of salary, material price, social security contribution or tax increases, etc. up to the acceptance date. Value-added-tax adjustments are exempted from the aforementioned provision. LEANTECHNIK AG shall not be obligated to reimburse additional working time incurred by the supplier's supervisors for writing work, etc. This also includes the preparation of the daily time sheets and the time and material expenditure related to the fulfilment of the obligations.

5.17

The supplier agrees to perform changed and/or additional services upon LEANTECHNIK AG's request, if these services are required for the performance of the contractual deliveries. The aforementioned provision shall not apply if the supplier's operation is not prepared for such services. The supplier's compensation is based on the pricing for the contractual deliveries under consideration of the special costs of the requested deliveries. If LEANTECHNIK AG requests altered deliveries or deliveries that are not included in the initial contract, the supplier shall be entitled to claim a special compensation, provided that the supplier immediately notifies LEANTECHNIK AG of such claim in writing and submits an amendment offer in due time, and the compensation amount is agreed with LEANTECHNIK AG prior to the performance of the deliveries. These additional deliveries can only be invoiced after the receipt of a written order from LEANTECHNIK AG. No claim for an additional compensation shall occur, if the amendment asserted by the supplier is based on circumstances that are identifiable from the offer documents (Scope of Work) or during the construction site visit for a careful supplier and if the supplier has failed to notify the additional costs upon the conclusion of the contract. These deliveries shall be considered as ancillary deliveries, if they are included in the prices requested in the Scope of Work. Change and amendment requests shall only be valid if issued in writing by LEANTECHNIK AG.

5.18

The following conditions apply in addition subject to paragraph 12.1-12.5 for all assembly, construction site and commissioning services.

If the supplier's delivery scope should include an acceptance of the supplier's deliveries in a plant at LEANTECHNIK AG or of its final customer, a test operation and functional test will be performed prior to the acceptance unless LEANTECHNIK AG

stipulates that such test operation or functional test is not required. LEANTECHNIK AG reserves the right to perform the test operation and functional test without the supplier's supervision. This does not exempt the supplier from its liability for damages incurred during the test operation of the plant/machine, unless the supplier evidences that the operating staff of LEANTECHNIK AG has failed to observe the operating instructions provided and explained by the supplier. The supplier will provide the corresponding staff for the test operation and functional test free of charge, if so requested by LEANTECHNIK AG. The start of the test operation requires the coordination with the site management of LEANTECHNIK AG and the other involved companies, as well as with the production and maintenance activities of LEANTECHNIK AG. The start of the test operation and functional test or any other events during the test operation and functional test do not imply the transfer of risk, the acceptance or the start of the warranty period and/or period of limitation. The period of limitation for all deliveries of the contract with regards to assembly services, construction site works and commissioning amounts to 5 years, beginning on the date of acceptance.

6 Export Control

6.1

The supplier agrees to observe all applicable requirements of the national and international export, customs and foreign trade law for all goods and services to be delivered and to obtain all required export licences, unless the applicable export, customs and foreign trade law requires us or a third party to apply for the export licences instead of the supplier.

6.2

The supplier shall provide to us as early as possible and in any case prior to the delivery date all information and data in textual form (itemised in the order confirmation, the delivery note and the invoice), we require to observe all applicable legal export, customs and foreign trade regulations for the import and export in case of a resale and re-export of the goods and services, and in particular for every individual good/service, the following "export control and foreign trade information":

- a) The Export Control Classification Number (ECCN) according to the U.S. Commerce Control List (CCL), if the product is subject to the U.S. Export Administration Regulations (EAR);
- b) Whether the goods have been manufactured or stored in the USA or have been produced using U.S. technology;
- c) The German Export List number (Ausfuhrliste/AL), as well as the number of the EU-Dual-Use regulation;
- d) The statistical goods number according to the current goods classification of the foreign trade statistics or the HS (Harmonised Code); and
- e) The country of origin (non-preferential origin).
- f) If requested by LEANTECHNIK AG: The supplier's declaration of preferential origin (for European suppliers) or certificate of preference (for Non-European suppliers).

6.3

In case of changes of the origin or properties of the goods or services or the applicable export, customs and foreign trade law, the supplier shall update the export control and foreign trade information immediately and submit the updated version in textual form.

6.4

The supplier shall exempt, indemnify and hold harmless LEANTECHNIK AG from and for all incurred required expenses and damages, as well as third-party claims under legal provisions resulting from a lack of or incorrect export control and foreign trade data that are to be submitted or have been submitted by the supplier according to the aforementioned provisions.

7 Force Majeure

LEANTECHNIK AG shall be entitled to terminate the contract or any part thereof in cases of force majeure, including labour disputes, business disruptions not caused by LEANTECHNIK AG, riots, governmental acts and other unavoidable events, unless these events persist for an insignificant period of time. No claims can be asserted against LEANTECHNIK AG.

8 Dispatch Notes and Invoices

8.1

LEANTECHNIK AG can specify the transport route and mode of shipment as well as the means of transport and type of packaging. Unless agreed to the contrary, deliveries must be made free at place of destination. The INCOTERMS in their current version at the time of conclusion of the contract shall apply as a trading clause.

8.2

The specifications included in orders, framework agreements and call-offs of LEANTECHNIK AG apply. Invoices must be presented in two copies and must specify the invoice number and other relevant identifiers and be sent to the relevant printed address. The invoice must not be included in the delivery. Invoices transmitted electronically must be sent to the email address indicated in the order. Incorrect invoices and invoices not submitted through the specified means will be regarded as invalid and will not be processed. The supplier shall bear the consequences of such delay. LEANTECHNIK AG reserves the right to charge any additional costs resulting from improper submission of invoices to the supplier.

8.3

No payment delay shall exist until the supplier has issued a reminder.

8.4

The supplier's right to offset and retention is limited to legally confirmed and undisputed counterclaims.

9 Pricing, Transfer of Risk

9.1

Unless otherwise expressly agreed, the prices and deliveries are deemed as "Delivery Duty Paid" (DDP) according to the Incoterms 2010, including packaging and insurance. Sales taxes are not included. The supplier bears the risk for the goods until accepted by LEANTECHNIK AG or its designated agent at the location to which the goods are to be delivered in accordance with the order.

9.2

The supplier is not entitled to subcontract the deliveries to be provided by the supplier to third parties (e. g. subcontractors) without the written permission by LEANTECHNIK AG.

10 Price and Payment Terms

10.1

Prices are exclusive of value-added tax and are fixed prices. The prices are deemed freight prepaid to the place of delivery indicated by the Contractor. Unless agreed otherwise in individual cases, the price includes all deliveries and ancillary deliveries of the supplier (e. g. assembly, installation) as well as all ancillary costs (e. g. proper packaging, transport costs). The supplier agrees to take back packaging material upon LEANTECHNIK AG's request. Special conditions for assembly services, acceptances, construction site works and commissioning services must be considered in paragraph 5.16.

10.2

Any hourly rates included in the offer shall only be included for cost transparency. Exceptions from the aforementioned provision require an expressive written agreement stipulating that the invoicing shall be based exclusively on the agreed hourly rates.

10.3

In the absence of any agreement to the contrary, invoices will be settled either within 20 days less 4 % discount or within 45 days without discount as of the date when the payment claim becomes due and both the invoice and the goods are received or the service is rendered. Payments shall be made subject to verification of the invoice. The payment shall neither constitute an acknowledgement of fulfilment nor a waiver of claims arising from material defects.

10.4

If a payment schedule has been agreed, payments will be made upon receipt of the respective partial invoice according to the deadlines and amounts agreed in the payment schedule. Any payment prior to the acceptance of the overall delivery by LEANTECHNIK AG is considered as down-payment without confirmation of the deliveries to date as completed. The invoice for the final instalment shall in any case be issued only after the complete delivery and – if specified in the contract or required by legal regulations – the acceptance of the overall delivery. LEANTECHNIK AG is entitled to retain the final instalment or up to 10 % of the order value until the end of the warranty period. The supplier is entitled to replace such retention with a joint and several guarantee (upon first request and under waiver of the benefit of discussion) issued by a bank or a loan insurance company.

10.5

Payments by LEANTECHNIK AG shall be deemed as duly made if the remittance order is received by the bank of LEANTECHNIK AG prior to the payment due date. LEANTECHNIK AG shall not be liable for delays caused by banks involved in the payment process.

10.6

In the event of an incorrect delivery, LEANTECHNIK AG shall be entitled to retain proportionate payment until proper completion of the delivery.

11 Claims due to Defects and Recourse

11.1

Acceptance is made subject to inspection of the delivery for freedom from defects, in particular with regard to correctness, completeness and suitability. LEANTECHNIK AG is entitled to inspect the contractual item insofar as and immediately the

normal conduct of business makes this possible. Any identified defects will be notified by LEANTECHNIK AG immediately after their discovery. LEANTECHNIK AG is only obliged to inspect the goods and notify the supplier of any defects in accordance with § 377 of the German Commercial Code (HGB) insofar as such defects are apparent. In this case, the notification of defects may take place up to 10 working days after reception of the goods. In the case of written notifications, the date of dispatch is taken to indicate compliance with this period. Furthermore, the supplier renounces the right to make objections on the basis of delayed notification in cases where defects are identified.

Notwithstanding § 442, section 2, sentence 2 of the BGB (German Civil Code), LEANTECHNIK AG shall be fully entitled to claims for defects, even if the defect has not been identified due to gross negligence.

11.2

In the absence of provisions to the contrary, the legal regulations relating to material defects and defects of title shall apply.

11.3

In all cases, LEANTECHNIK AG has the right to determine the mode of subsequent fulfilment.

11.4

If the supplier does not start to eliminate the defect immediately after being requested to do so then, in urgent cases, and in particular in order to prevent acute risks or avoid extensive loss or damage, LEANTECHNIK AG has the right, at the supplier's expense, to undertake this itself or entrust such work a third-party. Claims for material defects shall expire after 3 years in derogation from § 438, section 1, no. 3 of the BGB (German Civil Code). This period of limitation starts with the hand-over of the contractual item (transfer of risk).

11.5

In the event of defects of title, the supplier shall additionally release LEANTECHNIK AG from any third-party claims.

11.6

For parts of the delivery which are restored or repaired within the period of limitation, the period of limitation shall recommence at the time at which the supplier has completely fulfilled LEANTECHNIK AG's claims for subsequent fulfilment.

11.7

If expenses are incurred by LEANTECHNIK AG as a result of the deficient delivery of the contractual item, and in particular transport, travel, labour, materials costs or costs due to incoming goods inspections that exceed the habitual scope, then any such costs will be borne by the supplier.

11.8

If LEANTECHNIK AG takes back products manufactured and/or sold by LEANTECHNIK AG as a consequence of a deficiency in a contractual item delivered by the supplier or if the sales price practised by LEANTECHNIK AG is reduced because of this or if a claim is made on LEANTECHNIK AG in any other way for this reason, then LEANTECHNIK AG reserves the right to exercise recourse against the supplier, whereby no additional period needs to be granted in respect of the claims for defect of LEANTECHNIK AG in the legally prescribed cases.

11.9

LEANTECHNIK AG is entitled to demand compensation from the supplier for expenses incurred by LEANTECHNIK AG in its relations with its end customers because the latter have made

compensation claims against LEANTECHNIK AG in respect of the expenses incurred for the purposes of subsequent fulfilment and, in particular, transport, travel, labour and materials costs.

11.10

The period of limitation in respect of paragraph 11.8 and 11.9 shall expire at the earliest 2 months after the date at which LEANTECHNIK AG has fulfilled the claims made on LEANTECHNIK AG by its end customer and at the latest, however, 5 years following delivery by the supplier.

11.11

If a material defect is identified within 6 months following the transfer of risk then it is assumed that the defect was present at the time of transfer of risk unless such an assumption would be inconsistent with the nature of the goods or of the defect.

12 Acceptance and Transfer of Risk

12.1

If an acceptance is required for a certain type of delivery due to applicable law or contractual agreements, the delivery shall be deemed as accepted upon issuance of a written acceptance certificate by LEANTECHNIK AG. If LEANTECHNIK fails to meet its obligation to attend the acceptance test after the supplier's written notification of readiness for acceptance, the delivery shall be deemed as accepted 6 weeks after having been put in service and written notification of readiness for acceptance by the supplier, provided that LEANTECHNIK AG has not asserted any defects impairing the acceptance during this period. Paragraph 5.18 must be considered in addition for the acceptance of assembly services, construction site works and commissioning services.

12.2

If the contractual deliveries by the supplier are integrated with an overall delivery by LEANTECHNIK AG to its final customer, the acceptance of the supplier's delivery will take place only after the acceptance of the overall delivery of LEANTECHNIK AG by the final customer, without requiring an expressive declaration. Payment shall in no case be considered as an acceptance of the subject of delivery.

12.3

Unless agreed otherwise in writing in a separate contract, the transfer of risk shall occur upon the date of acceptance of the delivery. If no acceptance is required according to the aforementioned provision, the transfer of risk shall occur upon the full completion of the delivery.

12.4

If the delivery is performed by the supplier, the transfer of title to LEANTECHNIK AG shall occur upon the performance of the delivery. Otherwise the title of the delivery shall pass to LEANTECHNIK AG upon the provision of the delivery.

12.5

Any retention of title with regards to the deliveries by the supplier to LEANTECHNIK AG is excluded, unless LEANTECHNIK AG agrees to a retention of title in a separate written agreement.

13 Product Liability and Recall

In the event of a product liability claim being made against LEANTECHNIK AG, the supplier is obliged to release LEANTECHNIK AG from such claims to the extent that the loss or

damage has been caused by a defect in the contractual item delivered by the supplier. A liability due to a default shall be incurred only in case of defaults for which the supplier is accountable. Insofar as the cause of the damage lies within the scope of responsibility of the supplier, the supplier bears the onus of proof for this. In such cases, the supplier will bear all costs and expenses including the costs of any legal actions or recall operations. Statutory provisions shall also be applicable. The supplier will take out an insurance against all insurable risks arising from product liability, including the risk of recall, for a proper amount. The supplier shall submit the insurance policy for review upon LEANTECHNIK AG's request. The supplier shall maintain a quality assurance system suitable in terms of type and extent according to the current state-of-the-art and evidence such system upon LEANTECHNIK AG's request. The supplier is recommended to establish and maintain a suitable and corresponding risk management system.

14 Spare Parts Obligation

The supplier agrees to provide LEANTECHNIK with additional subjects of agreement or parts thereof as spare parts for a period of 10 years from the date of delivery of the subject of agreement, unless a compatible or adequate part can be delivered due to technical progress. This provisioning obligation shall not apply, if no spare parts demand of LEANTECHNIK AG can be identified due to the type of delivery. LEANTECHNIK AG expressly reserves the right to indicate products related to the spare parts obligation in orders, framework agreements and call-offs without being obligated to do so. The supplier shall be obligated to cooperate in this regard and in particular with regards to the gathering of information about products with a spare parts obligation at LEANTECHNIK AG.

15 Free Issue Materials

15.1

Designs, samples, production utilities, models, data media, prototypes, illustrations, drawings, documents, materials, equipment, components, parts, containers, packagings, tools, measuring instruments, devices, samples, etc. provided by the supplier to LEANTECHNIK AG and any materials delivered by lending and under the supplier's custody for normal use (hereinafter referred to as "free issue materials") shall not be the property of the supplier but rather remain property of LEANTECHNIK AG, unless otherwise expressly agreed.

15.2

Free issue materials will be controlled and inspected immediately by the supplier. Any complaints must be notified to LEANTECHNIK AG immediately in writing. The supplier may use the free issue materials only for processing the orders issued by LEANTECHNIK AG and use or allow the use of the free issue materials for any other purposes without the prior written permission of LEANTECHNIK AG.

15.3

Free issue materials must be clearly identified as the property of LEANTECHNIK AG and stored safely and separately from other materials with the due diligence of a prudent businessman free of charge for LEANTECHNIK AG. The supplier shall handle the free issue materials carefully and properly and maintain such materials in good condition, replace the materials as required at its own cost and indemnify and hold harmless LEANTECHNIK AG for any claims, costs and damages resulting from or related to

the installation, use, storage or repair of the free issue materials. The supplier shall bear the risk related to the free issue materials while under its custody or control. The supplier shall be obligated to insure the free issue material against all insurable risks for an amount corresponding to the replacement value at its own cost. The supplier hereby assigns its claims towards the insurance to LEANTECHNIK AG in advance. LEANTECHNIK AG hereby accepts this assignment.

15.4

LEANTECHNIK AG or third parties designated by LEANTECHNIK AG shall be entitled at any time, to access the operating site of the supplier during normal business hours in order to inspect the free issue materials and the related documents.

15.5

LEANTECHNIK AG shall be entitled at any time and without indicating a reason, to demand the return of the free issue materials. If so requested by LEANTECHNIK AG, the supplier shall return and prepare the free issue materials for shipment immediately or deliver the free issue materials to LEANTECHNIK AG. The related reasonable transport costs shall be borne by LEANTECHNIK AG. The supplier is not entitled to claim any right of retention or lien.

15.6

If the free issue material is processed, the property of the new or modified material shall pass to LEANTECHNIK AG already during processing. The supplier will store the new or modified material free of charge for LEANTECHNIK AG with the due diligence of a prudent businessman.

15.7

The property of any auxiliary models, tools, models, moulds, etc. (hereinafter referred to as "tools") produced by the supplier and required for the contractual performance shall pass to LEANTECHNIK AG upon their creation. Tools are therefore to be treated as free issue materials of LEANTECHNIK AG. LEANTECHNIK AG shall be entitled at any time and at its own discretion to request the delivery of the tools against payment of the justified production costs of the tools that have not been amortised by payments or a parts price at the time of such request. The supplier shall also be obligated to immediately deliver the aforementioned tools if no agreement about the production costs to be settled according to the aforementioned rule has been achieved. Any right of retention is excluded. LEANTECHNIK AG shall be entitled at any time to request the supplier to destroy the tools free of charge for LEANTECHNIK AG upon completion of the order. The destruction of the tools is subject to the written permission of LEANTECHNIK AG.

16 Assignment

Claims against LEANTECHNIK AG may only be assigned with our written permission, unless such assignment is expressly allowed under applicable law irrespectively of this assignment restriction. Any form of extended or prolonged retention of title is excluded.

17 Performance of Works

Any persons who, for the purpose of fulfilment of the contract, carry out work at the LEANTECHNIK AG company site must adhere to the provisions of the relevant site rules. Any liability for injuries incurred by these persons is excluded unless such injuries result from a wilful or negligent breach of the obligations of the

legal representatives or vicarious agents of LEANTECHNIK AG. The supplier shall be responsible for obtaining information, like e. g. the plant regulations.

18 Identification

The processing and/or modification of the delivered goods is permitted as is the removal of type plates or affixed identifications or indications of origin. LEANTECHNIK AG may also affix its own labels.

19 Documents and Confidentiality

19.1

All commercial or technical information (including characteristics that can be deduced, for example, from the objects, documents or software that are handed over, as well as any other knowledge or experience) made available to the supplier by LEANTECHNIK AG must, for as long as and insofar as it is not demonstrably public knowledge, be kept in confidence from third parties and may be made available in the supplier's own business only to persons who must necessarily be called on to use it for the purpose of making supplies to LEANTECHNIK AG and who are also committed to a confidentiality obligation in this regard. Such information remains the exclusive property of LEANTECHNIK AG. Such information may not be reproduced or used for commercial purposes – except for supplies made to LEANTECHNIK AG – without the prior written agreement of LEANTECHNIK AG. At LEANTECHNIK AG's request, all information originating from LEANTECHNIK AG (if applicable, also including any copies or drawings made) and any objects made available on loan by LEANTECHNIK AG must be immediately returned or destroyed. LEANTECHNIK AG reserves all rights to such information (including copyrights and the right to register industrial property rights such as patents, utility models, semiconductor protection, etc.). Insofar as such information was made available to LEANTECHNIK AG by third parties, the reservation of rights also applies on behalf of these third parties.

19.2

The supplier may not itself use or offer or supply to third parties any products produced on the basis of documents developed by LEANTECHNIK AG, such as drawings, models or similar, or on the basis of confidential specifications or with LEANTECHNIK AG's tools or tools constructed to replicate these.

20 Place of Performance, Legal Venue and Applicable Law

20.1

The place of fulfilment is the location to which the goods are to be delivered in accordance with the order.

20.2

The place of jurisdiction for all disputes – including international disputes – arising directly or indirectly from any contractual relations resulting from the present Purchase Conditions is the registered office in Oberhausen. LEANTECHNIK AG is entitled, at its own discretion, to institute proceedings against the supplier at the court at the place of its head office or branch office or at the court of the place of fulfilment.

20.3

The only law that shall apply to the contractual relationships shall be the law of the Federal Republic of Germany to the exclusion

of conflict of law provisions and the United Nations Convention on Contracts for the International Sale of Goods.

20.4

If individual provisions of the present General Purchase Conditions should be or become invalid, all other provisions shall remain unaffected hereof. In such cases, the parties to the contract are obliged to extend the invalid provisions by corresponding provisions with legal effect. The same applies accordingly for any gaps in the present General Purchase Conditions.