

General Purchasing Conditions of LEIPA Group GmbH and of LEIPA Georg Leinfelder GmbH as of July 2018

1 Scope of application, deviating terms and conditions, future business, priority agreements

1. These General Purchasing Conditions (hereinafter referred to as “**GPC**”) shall apply to all contracts that LEIPA Group GmbH and LEIPA Georg Leinfelder GmbH (hereinafter referred to as “**LEIPA**”) conclude with suppliers and contractors (hereinafter referred to as “**Supplier**”) on any delivery or other service agreements, including but not limited to the underlying offers and declarations of acceptance from LEIPA. The GPC shall only apply vis-à-vis companies (Section 14 of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*)), legal entities as well as special assets that are subject to public law in accordance with Section 310 (1) Sentence 1 of the BGB.
2. The GPC apply exclusively. Contrary or deviating conditions of the Supplier shall not apply unless LEIPA expressly agreed to them in individual cases.
3. The GPC shall apply in their version as amended from time to time and within the framework of ongoing business relations to all future contracts even if they are not explicitly agreed again.
4. Individual agreements (including but not limited to individual agreements, amendments, and changes) with the Supplier and deviating information in offers/declarations of acceptance shall take precedence over the GPC.

2 Written form, conclusion of contract, delivery call-off, offers from Supplier, order number

1. Offers and declarations of acceptance, changes, and any other side agreements and agreements that are made prior to or at the same time of the conclusion of contract as well as delivery call-offs shall require the written form or text form in order to be legally effective (letter, telefax, email; hereinafter referred to as “**in writing**”).
2. Unless agreed otherwise, the Supplier’s offer is binding for two weeks. A contract only enters into force once an offer made to LEIPA has been accepted by LEIPA in writing. Delivery call-offs are binding unless the Supplier objects to them within one week after receipt; LEIPA is under an obligation to inform the Supplier of this provision in the delivery call-off.
3. Any offer made to LEIPA is free of charge. Expenses for visits or drawing up offers, creating projects, draft versions as well as trial deliveries will only be remunerated if they are subject to prior written agreement.
4. Offers from the Supplier should be in accordance with the requests from LEIPA. Alternative proposals are welcome; however, proposals that deviate from requests from LEIPA are to be clearly designated accordingly.

5. Any and all correspondence with LEIPA shall state the respective order number.

3 Prices, invoice, payment, right of set-off, and right of retention of LEIPA

1. Unless agreed otherwise, prices are to be understood as fixed prices, including packaging and delivery “DDP, place of fulfilment” (INCOTERMS 2010) in accordance with clause 4 (3) of these GPC and plus statutory VAT.
2. Insofar as “DDP, place of fulfilment” is not agreed in accordance with clause 3 and the Supplier is obligated to ship the goods, the Supplier shall commission a logistics partner appointed by LEIPA or choose the most economical mode of shipment if no logistics partner has been appointed. Insofar as the prices are not inclusive of packaging, the packaging shall be calculated at cost price.
3. Invoices shall be submitted together with the delivery or service in a single copy and in a proper and verifiable form. Invoices are to be provided with the order number; any discounts and deductions as well as taxes incurred shall be shown separately. In addition, invoices shall state the shipping method and date as well as the gross and net weight with weighing certificates. Invoice copies are to be clearly marked as such. Insofar as certificates on material tests or other documentation have been agreed, these shall constitute an essential part of the delivery or service and are to be supplied to LEIPA together with the invoice.
4. Payments shall be made after delivery and receipt of a contractual and verifiable invoice in accordance with clause 3 (3) within 14 days with 3% discount or within 30 days net.
5. LEIPA may reject invoices that do not fulfil the requirements under clause 3 (3). The decisive date for the beginning of the payment period according to clause 3 (4) is the date of receipt of the new contractual invoice. In case of an earlier delivery or service, the delivery date or the service date shall replace the delivery or service.
6. LEIPA shall be entitled to rights of set-off or retention as well as the defence of an unfulfilled contract to the extent permitted by law. LEIPA shall, in particular, be entitled to withhold due payments as long as LEIPA is entitled to the claims arising from incomplete or defective performances against the Supplier.

4 Delivery, place of fulfilment, shipping, packaging, labelling, cross-border deliveries, shipping documents, product information

1. Unless agreed otherwise, delivery shall take place “DDP, place of fulfilment” (Incoterms 2010).
2. In the event that delivery “DDP, place of fulfilment” has not been agreed as defined in clause 4 (1), the Supplier shall provide the goods in due time under consideration of the usual time for loading and shipping and, if any, arrange shipping with the logistics partner designated by LEIPA.

3. Unless agreed otherwise, place of fulfilment for all deliveries and services shall be the location of the plant ordering the goods.
 4. In case of shipping, the applicable transport, packaging, and designation provisions of the mode of transport shall be observed, above all customs regulations and technical instructions. The goods shall be packed in a manner to avoid any damage in transit. Packaging material shall only be used to the extent necessary for this purpose. Only environmentally-friendly packaging materials shall be used. On LEIPA's request, the Supplier shall take back packaging material.
 5. The Supplier shall be entitled to provide LEIPA in due time with the required declarations of origin of the goods under customs law if LEIPA did not receive a valid long-term Supplier's declaration. The Supplier shall be liable for any disadvantages LEIPA may suffer from a Supplier's declaration that has been issued improperly or delayed, unless it is not responsible for either of the two. If necessary, the Supplier shall verify its information given on the origin of the goods by presenting an information certificate issued by the customs office.
 6. Shipping documents shall be complete together with the delivery, in particular, each delivery shall require its own delivery note. Any dispatch notes, delivery notes, and any other delivery documents such as bills of freight, packing lists and the outer packaging shall indicate the order number and the batch number. Information as to packaged goods or unit weights shall be affixed to loading units in a clearly visible and permanent manner. LEIPA shall not be obligated to prepare wagon loads for dispatch before receiving the shipping documents.
 7. The Supplier undertakes to provide LEIPA with any necessary product information, above all, any information concerning the composition and durability of the goods such as safety data sheets, information processing, labelling requirements etc., including any changes to the aforementioned in due time before delivery.
- 5 Delivery dates and delivery periods, advance and partial delivery, call order, delays in delivery, contractual penalty, right to set-off/withhold of the Supplier**
1. Unless stipulated or agreed otherwise, delivery dates and periods shall be binding.
 2. Advance and partial deliveries shall be subject to LEIPA's prior consent.
 3. In case of call orders, LEIPA may reserve its right to determine the individual delivery calls and call dates for partial deliveries.
 4. Should the delivery period be designated or confirmed as "preliminary", "approximate", "with the usual proviso", "approx.", or similar, the period between the date referred to and the actual delivery should not exceed 8 calendar days. The unreserved acceptance or payment of a delayed delivery shall not constitute a waiver of possible rights arising from exceeding the period of performance.
- 5. As soon as the Supplier becomes aware of any circumstances that may affect a proper and punctual delivery, the Supplier shall inform LEIPA thereof without delay, stating the reasons therefor as well as the possible duration of the delay in writing. The Supplier shall take all measures necessary in such cases in order to keep the agreed delivery date and to reduce a delay to a minimum. The Supplier shall inform LEIPA upon its request in writing of the measures taken or the measures it will still take in individual cases.**
6. In case of a defective or incomplete delivery, LEIPA shall be entitled to a repayment in proportion to the value until proper fulfilment in such a way that LEIPA will not suffer a loss in terms of price reductions, discounts, or similar payment concessions. To the extent that payments have already been made for defective deliveries, LEIPA shall be entitled to withhold payments due up to the amount of the payment made.
 7. In the event of a delay in delivery on the part of the Supplier, LEIPA may assert lump-sum claims for damages arising from the delay in the amount of 1% of the net price per complete calendar week, along with further statutory claims, however in total not more than 5% of the net price of the goods delivered behind schedule. LEIPA may reserve its right to obtain proof supporting a higher damage; the Supplier, on the other hand, may reserve its right to obtain proof supporting the fact that LEIPA did not suffer a damage at all or only a minor damage.
 8. The Supplier may only claim relief by reason of a failure on the part of LEIPA to provide required documents or information if it did not receive these within a reasonable period in spite of a reminder.
 9. The Supplier may only assert a right of retention with regard to the goods to be delivered if and to the extent that such right is based on claims that are uncontested, ready for a decision, or established by final enforceable judgment, and arise from the same contractual relationship. Any set-off by the Supplier is only permitted if the Supplier's counterclaim has been established by final enforceable judgment, is ready for a decision, or uncontested.
- 6 Passing of risk**
- The risk of accidental loss and accidental deterioration of the item only passes to LEIPA if the goods are handed over to the agreed delivery address. In case an acceptance has been agreed upon, it shall determine the transfer of risk.
- 7 Transfer of ownership, retention of title**
1. If the delivered goods have been paid, ownership shall be transferred to LEIPA. LEIPA does not acknowledge an extended or prolonged retention of title.

2. Within the ordinary course of business, LEIPA shall also be entitled to process, sell, or dispose of the goods delivered in any other way before paying the purchase price.
3. If the ownership of the goods to be delivered is transferred to LEIPA at a point in time at which the goods are stored on the Supplier's premises on the basis of a contractual agreement, the Supplier shall properly label and separately store LEIPA's property and hold LEIPA harmless from any loss, damage, and third party claims.

8 Weight and quantities

1. Notwithstanding any further claims, in the event of any deviations in weight, the weight determined by LEIPA upon inspection of the incoming goods shall apply. This shall apply to quantities *mutatis mutandis*.
2. A reduced delivery of the ordered quantity of the outward delivery (minimum quantity) with regard to LEIPA's delivery obligation *vis-à-vis* its customers shall only be permitted with express consent.
3. Excess deliveries in terms of quantity shall not be accepted by LEIPA without its prior consent. In case of a delivery of larger quantities without consent, LEIPA shall set a period of at least 10 calendar days for the Supplier to pick up this larger quantity. Once this period has expired, LEIPA shall be entitled to store this larger quantity with a forwarding agent at the Supplier's cost and risk.

9 Notice of a defect, liability for defects, substitute performance, statutory limitation

1. LEIPA shall inform the Supplier of any obvious defects in the delivered goods within 14 days after delivery, any hidden defects within 14 days after their discovery.
2. In case of a delivery of defective goods, LEIPA shall be entitled to request from the Supplier a subsequent performance - at LEIPA's choice by a remedy of the defect or a faultless delivery - within a reasonable period set by LEIPA.
3. Any costs incurred for the purpose of inspection or a rectification shall be borne by the Supplier even if appears that there was in fact no defect. The liability for claims for damages in cases of an unjustified request to take remedial action shall remain unaffected.
4. In case a request from the Supplier for subsequent performance along with the setting of a period due to particular urgency may not be considered, LEIPA shall be entitled to carry out or commission to have a substitute performance carried out at the Supplier's costs, without prejudice to its statutory claims. To the extent possible, LEIPA shall inform the Supplier of any substitute performance in advance.
5. LEIPA shall not waive its claims for defects by accepting or approving samples or patterns it has been provided with.
6. Any claims for defects on the part of LEIPA shall become time-barred after 36 months from the beginning of the statutory limitation period; any statu-

tory facts and circumstances for a suspension and interruption shall remain unaffected.

10 Liability, product liability, exemption from third party claims, recall, insurance

1. Unless stipulated otherwise in these GPC, the Supplier shall be liable according to statutory provisions. Limitations and exclusions of liability on part of the Supplier shall not be recognised. Statutory limitation shall be governed by statutory provisions subject to clause 9 (6).
2. To the extent the Supplier is responsible for a product liability claim, it shall exempt LEIPA from any third party claims upon first request to the extent that the cause has been given in its domain or area of organisation and it is personally liable *vis-à-vis* third parties.
3. Should LEIPA not be made liable *vis-à-vis* third parties under mandatory law, the Supplier shall be liable *vis-à-vis* LEIPA to the extent it would also be personally liable. The principles of Section 254 of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*) shall apply *mutatis mutandis* to the compensation for damages between LEIPA and the Supplier. This shall also apply in case of a direct claim on part of the Supplier.
4. In the event of any recall as may be necessary or ordered by the authorities or of any other measures necessary to avert danger to persons or third party property, the Supplier shall be liable for, and shall indemnify LEIPA against any expenditures, costs, and damage incurred by this recall or any other measure. Furthermore, the Supplier shall exempt LEIPA from any third party claims to the extent that the recall or any other measures are based on the fact that the delivered goods and/or the packaging or performance have not been carried out according to contract, in particular, that the aforementioned does not meet the specifications agreed or shows a product defect, unless the Supplier is not responsible therefor within the meaning of the aforementioned clause 10 (2). LEIPA shall inform the Supplier — to the extent possible and reasonable — of the content and scope of any recall measures and give it the opportunity to make a statement in this matter. Nothing in this shall prejudice any further rights and remedies.
5. The Supplier shall be obligated to take out a liability insurance at its own expense with respect to its deliveries and performances, including a product liability insurance with an insurance cover of at least EUR 5 million for personal damage and property damage (including pure property losses) for each damaging event and an annual maximum compensation sum per claim of at least EUR 10 million. The Supplier shall send LEIPA on request a copy of the liability insurance policy.

11 Quality assurance, right of access, audit

1. The Supplier shall be obligated to apply an appropriate quality management system in providing contractual services and, on LEIPA's request, provide supporting documents therefor.
2. LEIPA shall have the right to demand access to the production facilities of the Supplier and, if applicable, its subcontractors during the usual operating hours to check that the goods to be delivered are free from defects; this includes reviewing the use of appropriate material and the deployment of the required professionals. Moreover, LEIPA shall be entitled, in coordination with the Supplier, to convince itself of the Supplier's quality capability by means of system audits, process audits, and product audits.

12 Subcontractors

Any commissioning of subcontractors shall require LEIPA's prior consent. The Supplier shall impose all its obligations vis-à-vis LEIPA with respect to the assignments assumed on the subcontractors and ensure their compliance; these subcontractors shall, in particular, maintain confidentiality according to clause 14 of these GPC.

13 Assignment

The Supplier shall not be entitled to assign its claims arising from this contractual relationship to third parties. This shall not apply if it concerns pecuniary claims.

14 Confidentiality, advertising, contractual penalty

1. The Supplier undertakes to keep in strict confidentiality, to not disclose to third parties, and only to use for the purpose of the performance of the respective contract all information, knowledge, and documents, e.g. technical and other data, measured values, technology, operational experience, trade secrets, know-how, compositions, and other documentation (hereinafter "**Information**") that it received from LEIPA or that regards LEIPA and that surfaces in some other way, shape, or form. This confidentiality undertaking shall remain in effect after the termination of the relevant contract.
2. The Supplier shall bind to respective secrecy the employees and staff of the Supplier as well as sub-Supplier, and inform them in particular with regard to criminal offences under Sections 17 and 18 of the German Act Against Unfair Competition (*Gesetz gegen den unlauteren Wettbewerb, UWG*).
3. If the contracting party discovers that confidential information has become accessible to unauthorised third parties or if a confidential document has gone missing, the contracting party will immediately inform the other party of these circumstances.
4. This confidentiality undertaking shall not extend to such information that (i) is or becomes public domain through no breach of the law, (ii) is known to the Supplier at the time of the conclusion of contract through no breach of the law, or (iii) is dis-

closed to the Supplier by a third party without breaching any confidentiality agreement.

5. At the request of LEIPA, the Supplier undertakes to return all physically transmitted information as well as designs, samples, or similar to LEIPA immediately without keeping any copies or records. LEIPA shall solely enjoy all rights regarding any property and other industrial property rights of the information as well as the designs and samples mentioned under clause 14 (1).
6. Without the express prior written consent by LEIPA, the Supplier is not entitled to refer to upcoming or past business connections in information and advertising materials.
7. If the Supplier violates the duties set forth under this clause 14, the Supplier shall pay to LEIPA for every case of violation and depending of the seriousness of violation, a contractual penalty in the amount of up to EUR 50,000.00 (in words: EUR fifty thousand), unless the Supplier is not responsible for such violation. The exact amount of the penalty will be fixed in LEIPA's equitable discretion in each case and, in the event of a dispute, be reviewed for adequacy by the court having jurisdiction. Nothing in this shall prejudice any claims for damages for the violations above and beyond the penalty; the penalty shall be charged against any damages due.

15 Documents required by LEIPA, workshop activities, endorsement

1. Documents of all kind that LEIPA need to plan, use, set up, mount, process, store, operate, or maintain (inspection, maintenance, repair work) the supplied item, shall be made available to LEIPA by the Supplier in a timely, complete, unsolicited, and free manner. For mounting parts that can be ordered on lists or from catalogues, the documents supplied by the producer shall suffice, insofar as LEIPA requires them for repair work and/or new acquisitions. These documents shall be made available in German.
2. Any and all drawings shall be discussed with LEIPA before the beginning of workshop activities and be endorsed accordingly.
3. Endorsements on drawings, calculations and other technical documents shall neither restrict nor abrogate the Supplier's warranty and guarantee obligations with regard to the delivery item. This shall also apply to suggestions and recommendations brought forward by LEIPA, unless expressly agreed otherwise. If the execution differs from the production documents that LEIPA endorsed, the Supplier shall bear all damages resulting therefrom for LEIPA or third parties, unless the Supplier is not responsible for the deviation. This includes costs for follow-up examinations, expert opinions, additional calculations, post-treatment, replacement deliveries, etc.
4. The regulations under clause 15 (1 to 3) shall apply mutatis mutandis to the know-how made available to the Supplier.

16 Environmental protection, safety data sheet

1. The Supplier shall strictly observe the statutory and official environmental protection regulations when rendering its contractual services.
2. No ozone-depleting substances, e.g. CFC, carbon tetrachloride, or trichloroethane may be used when producing the goods and packaging supplied to LEIPA.
3. For materials (e.g. substances, preparations) and objects (e.g. goods, parts, technical equipment, uncleaned stored goods) which, by virtue of their nature, their properties, or their condition, pose a threat to the life and health of humans, to the environment and to objects and therefore need special treatment in terms of packaging, transport, storage, handling, and waste disposal, the Supplier will hand over with the offer to LEIPA a fully completed safety data sheet according to Section 14 of the German Hazardous Substances Ordinance (Gefahrstoffverordnung) and a suitable accident record (transport) handed over.
4. In the case of changes to the materials or the legal situation, the Supplier shall immediately provide to LEIPA updated data and information sheets.

17 Property rights

1. The Supplier grants LEIPA the non-exclusive, irrevocable, unlimited right, in terms of location, time, and content, to use the delivered goods for the contractual purpose, in particular to place them on the market on their own or combined with other goods as well as to offer them with their own labels and to integrate, modify, process, or convert other products and to distribute the goods in their original form or in modified, processed, or converted form. Within the aforementioned framework, LEIPA is entitled to sublicense.
2. The Supplier hereby guarantees that the goods delivered by it do not infringe the property rights of third parties in countries of the European Union, the European Economic Area, Switzerland, as well as countries in which the Supplier manufactures the goods or has them manufactured.
3. LEIPA and the Supplier shall inform each other immediately if claims are asserted against the Supplier or LEIPA because of the infringement of contract-relevant property rights.
4. In the event of a breach of the obligation in clause 17 (2), the Supplier is obligated to indemnify LEIPA from all claims of third parties arising from the use of such property rights, unless the seller is not responsible for the infringement. The same applies to all necessary expenses incurred by LEIPA from and in connection with such a claim by a third party.
5. If the contractual use of the delivery/service object is impaired by property rights of third parties, the Supplier is — without prejudice to its other contractual obligations — obligated to obtain the right at its own expense from the person entitled to dispose of the property right and to the extent that the delivery/service object from LEIPA can be used

without restriction and without additional costs for LEIPA according to the contract. The Supplier is also entitled to change the parts of its delivery/service that are relevant to property rights in such a way that they fall outside the scope of protection but nevertheless correspond to the contractual provisions that exist between the Supplier and LEIPA.

6. Nothing in this shall prejudice any further claims from legal defects that LEIPA may be entitled to.

18 Trademarks and business relations of LEIPA

1. The Supplier is not entitled to use the brands, business names, or industrial property rights of LEIPA for its own or for the benefit of third parties. Without the prior written consent of LEIPA, the Supplier is not permitted to use the brands, business names, or industrial property rights of LEIPA individually or in conjunction with its own trademarks or business names.
2. If LEIPA gives its consent in accordance with clause 18 (1), the Supplier shall strictly adhere to the guidelines regarding the size, positioning, and layout of the trademarks and business names of LEIPA.
3. Products that are not part of the Supplier's standard offer and which the Supplier has manufactured based on instructions or drawings or technical specifications by LEIPA may not be offered, sold, or delivered to third parties without the prior written consent of LEIPA.
4. Products from the Supplier's standard program may not be offered, sold, delivered, or otherwise placed on the market by the Supplier to third parties if brands or business names of LEIPA are recognisable on the product. The same applies if third parties can assume that the product concerned has been put on the market by LEIPA.

19 Contract language

1. The contract language is German. All correspondence and all other documents shall be in German. This shall also apply to any other documentation, e.g. for advance payment sureties and warranty bonds. Deviating from this, LEIPA shall also be entitled to request all documents and the associated communication in English.
2. Insofar as the contracting parties also use a language other than German, the German text takes precedence.

20 Place of jurisdiction, choice of law

1. The competent court of jurisdiction for all disputes arising from and in connection with this contractual relationship shall be Frankfurt/Oder, Germany, if the Supplier is a merchant, a legal person under public law, or special assets that are subject to public law, or if it does not have a general place of jurisdiction in Germany. LEIPA shall be entitled to file a law suit against the Supplier before any other statutory court. Statutory provisions on exclusive jurisdiction shall remain unaffected.

2. This contract shall exclusively be subject to German law under exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).