General Terms of Purchase

§ 1 Scope

1. Our Terms of Purchase as stated below shall apply for all contracts concluded between us and the supplier concerning the delivery of goods. They shall also apply for all future business relationships, even if they are not explicitly agreed again. Terms of the supplier that contradict or deviate from our terms shall not be part of the contract even if we have not explicitly contradicted them.

2. Deviating agreements shall basically require to be made in writing.

3. For project orders our "Technical Conditions" shall apply with equal status (see special information in order text).

4. Our Terms of Purchase shall apply only to firms in the sense of s.14 BGB (Civil Code).

§ 2 Closure of Contract

1. Our orders can be accepted only within a time limit of 10 days. The beginning of the time limitshall be the date stated on the order form.

2. If the quote of the supplier deviates from the inquiry of the customer, this must be notified specially. The same shall apply if an acceptance by the supplier deviates from an order. If (2) applies, the contract shall take effect only if the customer grants the supplier permission for the deviation.

§ 3 Payments

1. The price stated by us in the order shall be binding and shall be free house insofar as nothing different has been agreed in writing between the parties. The packaging costs shall be included in the price. The price shall be net plus the applicable statutory VAT. All invoices from the supplier must carry the order number and date of order issued by us.

2. Prices must be stated in euros (€).

3. Insofar as nothing different has been agreed in writing we shall pay the purchase price minus 3% rebate within 14 days after delivery and receipt of invoice, or net within 30 days after delivery and receipt of invoice.

4. As buyer we shall be entitled to the full scope of the right of setting off and the right of retention. We shall be entitled without the agreement of the supplier to assign all claims deriving from the purchase agreement. The supplier shall not be entitled to set off claims against us unless these claims are undisputed or have been established in law. Neither shall the supplier be entitled without prior written agreement from us to assign to a third party claims deriving from the contractual relationship.

§ 4 Invoices

1. Invoices shall be presented after completed delivery. They may not be included with the consignment.

2. If monthly deliveries have been agreed the invoice must be presented by no later than the 3rd day of the following month.

3. Invoices which do not include our order number and our date of order, and which do not include all the information legally required by s.14 UStG (VAT law), shall count until clarification by the supplier as having not been presented.

§ 5 Time of Delivery

1. The time of delivery stated in the order shall be binding. If the supplier accepts our order - insofar as nothing different has been agreed -, the date stated on the order shall be the beginning of the time limit for a time of delivery agreed in the order.

2. In the event of delayed delivery we shall be entitled to demand fixed compensation per complete week to the amount of 1% of the value of the delivery, however, no more than 5%. The right is reserved to pursue further claims in law. The supplier shall have the right to prove to us that no or a considerably small loss has resulted from the delay. The fixed amount shall then be moderated accordingly.

3. The supplier shall notify us without delay of predictable delays in delivery.

4. Our obligation to take delivery shall become null and void if for reasons of force majeure we are not in a position to accept the goods. Force majeure shall mean in particular natural disasters, civil unrest, actions by the authorities, strikes, lock-outs and similar disturbances.

§ 6 Dispatch and Delivery

1. Dispatch must be to the address stated on the order.

2. We shall reserve the right to decide on the dispatch route and the method of dispatch, including the means of transport and the kind of packaging.

3. Delivery notes must be included with every consignment. The delivery notes must be made out separately for each order. In the case of part-deliveries, the backlog and the comment "Part-delivery" must be stated on the invoice and on the delivery note. The comment "Rest of delivery" must be stated when the remainder is delivered.

4. The transport insurance shall be covered by us if the supplier follows our instructions for dispatch (s.6(2)).

§ 7 Inspection for Deficiencies / Warranty

1. We shall be obligated to inspect the goods for deviations in quality or quantity within an appropriate time limit. A complaint shall be punctually registered if this is made within a time limit of 5 workdays from delivery by the supplier.

2. Regardless of this, we shall be entitled at our discretion to demand that the supplier remedy the deficiency or provide a substitute delivery. In this case the supplier shall carry the costs incurred for the purpose of remedying the deficiency or providing a substitute delivery.

3. If we have granted the supplier a reasonable time limit for remedying the deficiency and the supplier is in arrears with its obligation to remedy said deficiency we shall be entitled at the cost of the supplier to remedy the deficiency ourselves or to have it remedied by a third party. The same shall apply if there is danger ahead and in other urgent cases.

4. We shall reserve the rights deriving from s.437 ff. BGB (Civil Code).

5. The supplier shall be liable for the delivery and processing of the delivered goods not infringing the patent or protective rights of third parties. Otherwise we shall be able to claim damages from the supplier on grounds of non performance. In addition, the supplier shall in the case of deficiency in title hold us harmless against any existing claims of third parties. In respect of deficiency in title there shall be a time limitation of 10 years. Additional legal claims shall remain unaffected.

6. If nothing different is agreed or longer legal time limits apply, the warranty period for material deficiency shall be 24 months. This time limit shall begin on delivery of the contractual item (transfer of risk). Corresponding terms shall apply for goods or parts that the supplier delivers under warranty (subsequent performance).

7. The agreements made about chemical, physical and technical constitution, sizes, design type and quality shall be accurately met within the respective tolerances. Insofar as the constitution of chemicals is not specified in the order, the characteristics of the goods ordered must comply with the information stated in the safety data sheets, leaflets, product information and manufacturer's specifications.

8. We shall be entitled to have the ordered goods examined by independent inspectors at the works of the supplier. The examination shall not release the supplier from its warranty obligation.

§ 8 Reservation of Title / Models, Patterns, Drawings

1. Insofar as we provide the supplier with parts needed to fulfil the order, we shall reserve the title of said parts. Processing or modification shall be performed for us by the supplier. In the case of processing or combination we shall acquire co-ownership of the new object in proportion to the value of our items compared with the other processed items at the time of processing.

2. Models, patterns and drawings provided by us or prepared to our order shall be owned by us or transferred to our ownership. After completion of the order or in the case no order is placed all originals, reproductions, copies, casts, templates, moulds, etc. shall be returned to us without delay and unrequested. Passing on said items to a third party shall require our written permission.

3. In the event of contravention by the supplier or one of its agents of the terms of (2) and (3) we shall be entitled to demand damages, unless the supplier is not at fault.

§ 9 Software

We receive the right to the utilization of software belonging to the scope of delivery having the agreed performance features and in the amount required or legally permitted (§§ 69a ff. German Copyright Act [UrhG]) for usage of the software in accordance with the contract, including its documentation.

§ 10 Product Liability / Recall

1. The supplier shall be obligated to exempt us from claims by third parties deriving from product liability if and to the extent that it is responsible according to the principles of product liability law for the product deficiency and the consequent losses. This shall not affect wider legal claims.

2. Within this obligation the supplier shall also be obligated to reimburse us for any costs incurred as a result of or in connection with a recall action performed by us. Insofar as this is possible and reasonable

we shall inform the supplier about the content and scope of the recall actions to be performed and shall give it the opportunity to state its position. S.1(2) shall apply accordingly.

§ 11 Work Safety / Legal Requirements / Liability

1. The supplier shall be liable for ensuring that the structural properties (construction and design) of the technical equipment (plant and machinery) fulfils at least the currently applicable relevant accident prevention regulations of ArbStättV ("place of work regulations"), ArbStoffV ("working materials regulations") and the general rules of safety and occupational medicine fulfills. The supplier must also comply with additional requirements deriving from the implementation of EU directives in national law or other changes to legislation.

2. If suppliers must perform work in our individual works and production areas, we shall be liable only for wilful and grossly negligent dereliction of duty. This shall not apply insofar as we are liable for damage to life, body or health, or infringe an important contractual obligation.

3. Delivery of working materials to be used by us for the first time must be accompanied by the relevant safety data sheets and leaflets.

4. Electrically operated stationary and portable devices must be rated in the highest possible energy-efficiency class in their segment, as well as having GS and/or VDE certification, and bearing the CE marking.

§ 12 Compliance Guideline

The Koehler Group has a Corporate Compliance guideline, which, among other things, regulates the handling of gifts and invitations from suppliers. The supplier is obligated to refrain from giving employees of the Koehler Group cash, trips, and gifts exceeding the gross value of EUR 40. They are also obligated to refrain from sending any gifts to the private address of the employee. A breach of this clause represents an extraordinary reason for termination of the contract and the ending of the business relationship.

§ 13 Confidentiality

We and the supplier undertake a mutual obligation to treat the content of the contracts concluded between us and all knowledge of confidential information and business secrets acquired in the course of fulfilling the contract confidentially, and to use this knowledge only in the context of fulfilling the contract. This also includes access to our operating systems and servers. The supplier shall only forward the confidential information and business secrets to employees who require this information to fulfill the contract and who have themselves been sworn to secrecy by the supplier.

§ 14 Data Protection

1. The supplier acknowledges and consents to us collecting, saving, processing, and using personal data relating to our business relationship with the supplier and to our forwarding this data to companies of the Koehler Group affiliated with us for the purpose of maintaining proper business operations and processing payments. We shall ensure that the interests of the supplier worth being protected are not prejudiced.

2. The supplier shall observe the statutory and operational provisions relating to data protection. The supplier shall appropriately obligate its employees and vicarious agents coming into contact with the performance owed under the contract and provide us with a copy of this obligation upon request. When processing or usage of personal data takes place in the context of fulfillment of the contract, the parties shall sign a data protection agreement in accordance with the provisions of the Federal Data Protection Act (BDSG) without delay.

3. The forwarding of data to third parties and subcontractors is only permitted with our written consent provided in advance.

§ 15 Contract Assignment

No rights and obligations arising from the contract concluded between the supplier and us shall be transferred in whole or in part without our express written consent.

§ 16 Place of Fulfilment / Legal Venue / Applicable Law

1. If no place of fulfilment is explicitly agreed, the place of fulfilment shall be the seat of the company placing the order.

2. Legal venue for deliveries and payments and for all other disputes arising from the contract concluded between us and the supplier shall be the main office of the ordering company, insofar as the supplier is a businessperson as defined by the German Commercial Code (HGB). We shall also be entitled, however, to take legal proceedings against the supplier in the latter's general legal venue.

3. Contractual and non-contractual claims shall be regulated exclusively by the laws of the Federal Republic of Germany. The UN CISG shall not apply.

§ 17 Final Clause

Should one of the above agreed clauses be wholly or partly invalid, this shall not affect the validity of the remaining parts of the General Terms of Purchase. These General Terms of Purchase shall apply in the version in force at the moment of closing the contract. The current version can be accessed at www.thekatzgroup.com.

Katz GmbH & Co. KG, Weisenbach

Our General Terms of Purchase have been translated into English. In the case of different interpretations between the two language versions, the German version shall take precedence.

(Status: November 2012)