

General Terms of Purchasing of KUHN GmbH,
Franz-Kuhn-Straße 1-3, 74746 Höpfingen (as of August 1, 2015)**§ 1 Scope**

1.1 These General Terms of Purchasing are legally binding for all business relationships between us and our contractors. Different delivery conditions of our contractors are hereby expressly excluded, without the need for further objection by us. Any express acceptance of other terms and conditions of our contractors by us must be made in writing in all cases.

1.2 Supply contracts, delivery schedules as well as changes or additions must be in writing.

§ 2 Prices

Unless otherwise agreed, all prices, including all surcharges, are deemed to be lump-sum prices until completion of the delivery/service which shall cover all services required for performance of the contract. Prices are generally to be shown as net prices with separate listing of costs for freight, packaging, transport insurance and the statutory value added tax. If these costs are not shown separately in individual cases, they are included in the price.

§ 3 Deadlines

3.1 Dates and deadlines stated in our orders are binding and are understood to refer to the receiving agency. Deliveries/services are only considered complete and timely if they satisfy the agreed upon or warranted characteristics and quality grades and the associated documentation has been provided. If deadlines are not met, we are entitled to exercise all legal rights related to the delay. Acceptance of delayed deliveries/services in no way represents waiver of claims for compensation.

3.2 If a contractor becomes aware of circumstances that could result in a delay to its delivery/service, we must be informed immediately in writing, stating the reasons and the expected duration of the delay. In the event of significant delays, we are entitled to withdraw from the contract in whole or in part and to make appropriate claims for damages.

§ 4 Billing/payment

4.1 Invoices are to be sent to us in duplicate stating our order and project number. The statutory value added tax must be shown separately. In advance payment invoices, a precise itemization of the order value, proportion covered by the interim invoice and advance payments already received, including VAT, must be specified. Invoices without complete information are considered not received until clarified by the contractor.

4.2 After receipt of a correct invoice, unless otherwise agreed, we pay either within 14 days with a 3% discount or after 30 days net.

The place of performance for mutual services is our company headquarters in Höpfingen, Germany. Our payments are always made subject to invoice verification.

4.3 We are only obliged to make payments for correct, contractually agreed upon deliveries/services. Partial or over-deliveries are only permitted with our express consent. If premature deliveries/services are accepted, the due date of our payment is based on the agreed delivery/service date.

4.4 Down payments or advance payments are made subject to the proper fulfillment of our order upon presentation of an unlimited, unconditional and free bank guarantee.

4.5 We are entitled to withhold payments if we are entitled to claims against the contractor for other legal transactions or for other reasons.

§ 5 Quality

We accept deliveries and services only in the contractually agreed upon and warranted quality. Agreement on certain characteristics, quality grades or standards is

regarded as agreement on warranted characteristics. If no express agreement is made, the delivery/service must be carried out according to the latest state of the art and in compliance with respectively applicable regulations. The supplier undertakes to comply with the requirements of DIN ISO 9000 ff and must provide appropriate evidence of this on request. If the delivery is not of the specified quality or warranted characteristics are not met, regardless of whether the defect was discovered during acceptance or quality control, we are entitled to withdraw from the contract and to demand compensation for non-performance, in particular for unsuccessful further processing. If justifiable, we will give the contractor the opportunity to carry out repairs or make a replacement delivery. In addition, we refer to section § 8 Liability/warranty.

§ 6 Place of delivery/performance/acceptance

6.1 The place of performance for the delivery/service is the receiving agency specified in the order letter.

6.2 In the event of operational disruptions due to force majeure, industrial disputes, civil unrest, governmental or official measures or circumstances beyond our control, we can specify the date for taking delivery.

§ 7 Dispatch

We reserve the right in individual cases to determine the mode of dispatch, the route of dispatch and, if necessary, also the carrier for the goods we have ordered, or to arrange the dispatch ourselves. If we are supplied using a more expensive shipping method than the one specified by us, the contractor will bear the additional costs incurred if we are liable for shipping costs.

§ 8 Liability/warranty

8.1 The contractor guarantees that its delivery/service is free from defects, has the agreed or warranted characteristics and quality grades, satisfies applicable regulations, and is provided in accordance with the latest state of the art.

8.2 The warranty obligation for the services to be provided by the contractor (including any supplements) is, unless otherwise agreed, 24 months and begins with the acceptance by the end customer/end user. The statutory warranty periods according to VOB (Vergabe- und Vertragsordnung für Bauleistungen / Tendering and Contract Regulations for the Provision of Construction Services in Germany)/BGB (German Civil Code) apply to construction work.

8.3 In addition to the statutory warranty rights, we have the right to immediate subsequent improvement by the contractor. In urgent cases, or if the contractor does not remedy a defect within the statutory period and the set deadline, we can remedy the defect ourselves or have it remedied at the contractor's expense. This does not affect the contractor's remaining warranty obligation. The contractor must bear costs arising for us or third parties as a result of damages arising from a warranty claim or resulting costs such as troubleshooting costs, repair costs, etc.

8.4 The contractor is liable to us expressly in accordance with the Product Liability Act. At our request, the contractor is required to take out product liability insurance and provide proof of this.

8.5 Statutory and contractual inspection and notification obligations are expressly excluded.

§ 9 Alterations to an order/cancellation

9.1 We are entitled to change or cancel our order at any time. Effects on costs and deadlines are to be agreed to and settled by mutual agreement, excluding compensation and loss of profit.

9.2 Additional costs can only be claimed if they are notified to us in writing within 10 days of our request for change.

9.3 We can withdraw from the contract in whole or in part if the contractor ceases to make payments, its financial situation deteriorates significantly or if there is a risk of insolvency proceedings against its assets.

§ 10 Drawings

Plans, samples and drawings or other templates that the contractor receives from us must be treated with the necessary care and confidentiality. They may not be made accessible to third parties without our express consent, nor may information about them be disclosed. In the event of an infringement, the contractor is liable for damages and also undertakes to pay us a contractual penalty of €25,000.00. The documents provided must be handled in accordance with our instructions and returned to us at our request or when they are no longer required, including any copies that may have been made. There is no right of retention.

§ 11 Transfer of risk and ownership

With the acceptance of the goods at the receiving agency, the risk and ownership shall pass to us. The contractor guarantees that there is no retention of title or third party rights to the goods ordered and delivered.

§ 12 Industrial property rights

The contractor is liable for all claims that are made for violation of industrial property rights or other rights of third parties through the production, installation and use of the parts ordered by us and delivered by the contractor and for all damage caused to us and our customers. Should an infringement of the law of the kind described above occur, our contractor is obliged to procure for us the right to use the parts or processes involved free of charge or to replace them with parts or processes that do not infringe any industrial property rights.

§ 13 Miscellaneous

13.1 For the execution of deliveries/services the following apply in order: Order letter with supplements, order specifications, drawings and additional conditions, the General Terms of Purchasing, the VOB (Tendering and Contract Regulations for the Provision of Construction Services in Germany), the Machine Safety Law, the accident prevention regulations as well as the legal regulations of the Federal Republic of Germany.

13.2 If individual provisions of these General Terms of Purchasing are or become ineffective, this shall not affect the validity of the other provisions. Legal provisions shall take the place of such invalid conditions.

13.3 The law of the Federal Republic of Germany, excluding the UN Convention on Sale of Goods, shall apply.

13.4. The place of performance for delivery and payment is Höpfingen, Germany. If legally permissible, Mosbach Regional Court (*Landgericht*) shall be the legal venue for all disputes.