

General Terms and Conditions of Purchase of Magnescale Europe GmbH

1. The terms and conditions of purchase set out below shall be deemed accepted on written acceptance of our order by the supplier or on delivery of the goods by the supplier. Our terms and conditions of purchase also apply to all subsequent orders. Any conditions of the supplier which diverge herefrom shall not apply to us even if we do not expressly object to them.
2. Orders which are given orally or oral agreements only become binding on us when confirmed by us in writing.

The supplier is under an obligation to accept our orders within a period of 5 days.

3. Payments shall be made within 30 days without deduction. The payment deadline shall begin in each case with effect from receipt of the invoice by us.
4. The supplier shall inform us without undue delay if the agreed delivery dates cannot be met.

If the supplier does not deliver we are entitled - once a deadline set by us has passed without the situation having been remedied - to assert compensation claims instead of performance or to rescind the contract.

Notwithstanding the above, we are entitled in the event of a delay in delivery (*Lieferverzug*) to demand lump sum compensation for the delay of 0.2 % of the net value of the supply for each day of the delay but not more than a maximum of 5 % in total. We reserve all other statutory rights. The supplier reserves the right to prove to us that no loss or a lesser loss has occurred as a result of the delay.

5. If the goods have defects we are entitled to choose to request new delivery or remedy of the defects. If the supplier does not remedy defects within a reasonable period we may, in addition to our statutory rights, arrange for the goods with defects to be remedied at the cost of the supplier. The supplier shall reimburse all costs incurred by us as a result of the supply of defective goods, in particular the costs of inspection, removal and return.

The right to bring claims owing to defects is not excluded by the fact that the defect in the sample provided by the supplier and approved by us was already apparent. Acceptance of goods shall be subject to an inspection of compliance of the goods with the contract.

The statutory provisions (§§ 377, 381 German Commercial Code) and the provisions in this paragraph apply with respect to our commercial duty to inspect and object. Our duty to inspect is restricted to defects which are obvious during the incoming goods inspection with a random external inspection (e.g. transport damage, false delivery and delivery of fewer goods than agreed). In the case of obvious defects our complaint is deemed to be in good time if we send it within eight working days of receipt of the incoming goods. If the defect is discovered later this deadline shall be three working days from discovery.

We shall retain title to goods which are returned to the supplier for repair owing to complaint about a defect. Such retention of title shall apply until the complaint regarding the defective goods has been settled.

The supplier shall be liable for defects for a period of 24 months beginning from receipt of the goods by us.

6. The supplier guarantees that the goods supplied by it shall comply with all applicable statutory provisions, including provisions regarding markings.
7. Delivery shall be made, unless otherwise agreed, free of expenses at the cost and risk of the supplier to the place of delivery stated by us. If it becomes evident to the supplier that he will be unable to meet the delivery date, he shall be obliged to notify us immediately in writing, advising the reasons for the delay, as well as the estimated duration. Extra charges that were occurred related to the delay from the quoted time of delivery may be charged.
8. The supplier shall keep the content of orders placed with us confidential. All documents, samples, tools, etc. made available by us shall be protected from unauthorised inspection and they and goods manufactured from such documents may not be passed on to third parties or used for the supplier's own promotion or that of third parties without our prior consent. They must, unless otherwise agreed, be returned with the final delivery at the latest.
9. The supplier shall observe the rights of third parties, in particular technical industrial property rights or trade marks. The supplier is under an obligation to make good loss which arises as a result of a breach of third party rights including costs for defending any claims asserted against us.
10. The supplier is under an obligation either to supply us with spare parts for the duration of the normal life of the goods, at least however for a period of 5 years after the supplier has stopped production of the goods, at standard market terms and prices or to carry out the repair work itself.
11. If any provisions of these General Terms and Conditions of Purchase are or become void or invalid in whole or in part this shall not affect the validity of the other provisions.

Magnescale Europe GmbH

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12. Place of performance shall be Wernau. This agreement and the resulting legal relationship shall be subject to the laws of the Federal Republic of Germany. The UN Convention on the International Sale of Goods shall not be applicable.

13. Place of jurisdiction shall be Stuttgart.

Date: March 2015