

**Standard Terms and Conditions of Purchase
for Technical Equipment – Freiberger Group
(As of March 15, 2015)**

1. General Information

Our Standard Terms and Conditions of Purchase shall apply to any and all purchase orders and to all contracts concluded in any other way with the contractor. Any deviating general terms and conditions employed by the contractor shall only apply if we recognize them expressly in writing. They will also have no effect even if we fail to contradict them in individual cases. Acceptance of deliveries, services or payment of such shall not be equivalent to an agreement with the general terms and conditions employed by the contractor.

2. Offers, Purchase Orders, Written Form

- 2.1. The submission of offers or the preparation of cost estimates shall be free of charge. We shall not be responsible for any costs nor shall we pay any remuneration for visits, planning and any other advance performance in connection with the submission of offers to the extent that they do not form the subject of a separate agreement in individual cases.
- 2.2. Purchase orders, changes or amendments of such as well as any other agreements made with the conclusion of a contract shall be binding in the event that we state or confirm them in writing.

3. Prices and Discounts

Unless otherwise agreed all of the prices indicated shall be carriage and insurance paid to the place of performance. They shall cover any and all services and deliveries owed by the contractor for performance of the respective obligations up to and at the agreed place of acceptance.

4. Forwarding Instructions, Transportation Insurance, Origin of Goods

- 4.1. The recipient shall be provided with a precise dispatch note/delivery note for each delivery on the date of dispatch. The contractor shall be responsible for the consequences resulting from culpably and incorrect issued consignment notes. Our purchase order number and the consignee shall be indicated on any forwarding documents.
Transport insurance shall be taken out by the contractor at the contractor's own expense unless otherwise agreed upon.
In the event that delivery involves dangerous goods which may be subject to special national and international forwarding instructions, then such goods shall be correspondingly packaged, marked and dispatched.
- 4.2. The contractor shall provide us with the corresponding preference documents, e.g. certificate of origin or movement certificate, if the delivery has to comply with rules of origin under EU preferential agreements.
- 4.3. The contractor shall take back any transport packaging at the place of acceptance free of charge.

5. Ownership, Industrial Property Rights, Copyright

- 5.1. Any drawings, samples, formulas or other documents and aids which we make available to the contractor for execution of purchase orders shall remain our property. They may be only used in accordance with their intended purpose and shall be returned to us upon request at any time.
- 5.2. In particular the contractor shall be obliged to respect copyrights and other industrial property rights for which we or third parties have the rights of use and exploitation. Their use or exploitation shall only be permitted for the contractually agreed purposes. Products manufactured from documents, drawings or models prepared by us, by means of other materials provided by us or in accordance with our instructions shall neither be exploited or used by the contractor for its own purposes, nor for the purposes of third parties. The contractor may neither offer nor deliver them to third parties without our prior written approval.
- 5.3. The contractor shall observe strict secrecy with regard to any documents made available to them, information about provisions of material and any other know-how to which they have gained access through their business relationship with us and not transfer or make them accessible to third parties without our express written approval. The contractor shall also observe strict secrecy with regard to any knowledge and results gained through their assignment; however, this provision shall not apply insofar as these have become accessible to the public or are generally known without the active involvement of the contractor.

6. Deadlines, Dates

- 6.1. Compliance with agreed dates and deadlines shall be determined by receipt of faultless delivery and/or service(s) at the place of acceptance and/or successful acceptance insofar as such is agreed upon or provided for by law.
- 6.2. The contractor shall be obliged to immediately notify us as soon as it becomes clear that the agreed dates and/or deadlines cannot be met on time either in part or as a whole, while indicating both the reasons and the prospective duration of the delay. Such notifications provided by the contractor shall not affect the legal rights and claims to which we are entitled in the event of default.

7. Contractual Penalty for Default

If a contractual penalty for the delay of the contractor has been agreed and becomes due in the event of default, then we shall be entitled to assert such until payment of the invoice for the delayed deliveries or services without having to reserve this right upon acceptance.

8. Partial, Excess or Short Deliveries

- 8.1. Partial deliveries and/or partial performance shall require our prior written approval. Even if we accept such without prior approval, this shall neither constitute accelerated maturity of payment obligations nor agreement with regard to the assumption of additional transport costs.

8.2. We reserve the right to honor excess or short deliveries in individual cases. If excess deliveries are made without our prior approval, then we shall be entitled to refuse acceptance of such deliveries, to store them at the contractor's expense or to return them to the contractor.

9. Bearing the Risk, Acceptance and/or Acceptance Inspection, Force Majeure

- 9.1.** The contractor shall bear the risk of accidental loss and deterioration up to the arrival of deliveries at the place of acceptance. If acceptance inspection is either agreed or prescribed by law, then the contractor shall bear the risk until we have declared the acceptance.
- 9.2.** Instances of force majeure (in particular industrial action) as well as other unforeseeable or uncontrollable external circumstances, e.g. collective actions, shall entitle us to accordingly postpone acceptance of deliveries and/or services and/or performance of acceptance inspections.
- 9.3.** In all other respects we shall be obliged to only accept deliveries if the latter exhibit the agreed characteristics.

10. Invoice, Payment

- 10.1.** A single copy of the invoices shall be submitted following complete delivery free of defects, completion of service(s) or in the case of performance-related service(s) after their acceptance for each purchase order while indicating the respective purchase order data. Invoices without the respective purchase order number may be returned by us to the contractor without processing.
- 10.2.** In the absence of any other written agreement payment shall be made within 14 days following proper invoicing with a 3% discount or net within 30 days. The payment period shall commence upon receipt of the invoice, however not before complete fulfillment of the contract and/or acceptance, if it is either agreed or prescribed by law, without defect.

11. Notice of Defects, Rights in the Case of Defects, Limitation Period

- 11.1.** In the event of a commercial duty to inspect and/or to make a complaint with regard to defects upon receipt of the goods, our obligation shall be limited to examination of the goods for quantity and identity, apparent transport or packaging damage as well as random sampling of the goods for their essential characteristics, if reasonable. In the case of obvious defects we shall report them to the contractor without delay, at the latest, however, within 8 days after delivery, and other defects immediately after their discovery. The values determined by us during inspection of incoming goods shall be determining in cases of doubt with regard to the number of items, weights and dimensions.
- 11.2.** The contractor shall be obliged to provide deliveries and services without fault. Such deliveries and services shall exhibit the agreed characteristics as well as the warranted values and properties while satisfying the intended purpose. The contractor shall also be responsible for ensuring that such deliveries and services correspond to the respectively current state of the art and the generally recognized codes of practice and that qualified personnel be deployed in the case of services. Any deliveries shall be provided with stipulated safety equipment. The contractor shall comply with safety regulations. The

relevant regulations regarding environmental protection, hazardous substances and dangerous goods as well as the relevant accident prevention regulations and the occupational health and safety regulations shall be observed. The provisions of the German Equipment and Product Safety Act must be taken into consideration.

The contractor shall observe any special safety and hygiene regulations valid at the place of performance and made known to them.

- 11.3. The respective requirements shall be fulfilled insofar as such deliveries and services involve products, items or parts that are subject to the German Foods and Other Commodities Act [LMBG] or which come into contact with such products. Insofar as the EU “REACH Regulation” applies to the delivery or parts thereof, then the respective substances must be pre-registered, registered or approved and any other requirements arising out of the same such as, for example, submission of a safety data sheet, must be fulfilled.
- 11.4. Release of submitted drawings, samples and other documents (e.g. papers, contract specifications) on our part shall not affect the contractor’s responsibility with regard to proper performance of contract without defect.
- 11.5. In the case of defective deliveries and/or service(s) and in the case of a warranty claim we shall be entitled to assert the legal rights associated with claims based on defective deliveries and/or service(s). If we are entitled to warranty claims that go beyond the legal rights associated with claims based on such defects, then such claims shall remain unaffected. A period of thirty-six (36) months which commences upon delivery and/or service and/or acceptance, if such is either agreed or prescribed by law, shall apply to any and all claims based on defects that are subject to the statute of limitations. Longer statutory periods of limitation to claim defects and the duration and terms of the regular statutory period of limitation for warranties shall remain unaffected.
- 11.6. If a defect shows up within the period of limitation, then we shall have the option of demanding subsequent performance by means of reworking, subsequent delivery and/or remanufacture within an appropriate period. The place of subsequent performance shall either be the place of destination, the place of acceptance, or any other final destination if known to the contractor. The contractor shall be responsible for any and all expenditures incurred to him in connection with the determination and elimination of the defect, including also all on-site costs – in particular investigation costs, removal and reinstallation costs, the costs of labor and materials as well as transport and other costs necessary to replace defective parts.
- 11.7. In urgent cases, if the contractor is unavailable or where there is the danger of a disproportionately high amount of damage, we shall have the right to eliminate defects ourselves or to have such defects eliminated by third parties at the expense and risk of the contractor. We shall immediately inform the contractor of any such measure.
- 11.8. If subsequent performance is not effected by the contractor within the specified appropriate additional respite, has failed or if setting of the deadline proves to be dispensable, then we shall be entitled – in accordance with legal provisions – to withdraw from the contract and demand payment of damages instead of performance, replacement of futile expenditures or abatement.

12. Violation of Industrial Property Rights of Third Parties

The contractor shall warrant that we will not violate the copyrights, patents or other industrial property rights of third parties through the contracted use and/or sale of the contractor's deliveries or service(s). The contractor shall indemnify us against any and all claims asserted against us due to violation of an industrial property right and be responsible for the costs of safeguarding our rights if such claims are based on culpable violation of duty by the contractor. We shall inform the contractor immediately in the event of any such claim.

13. Non-contractual Product Liability, Insurance

13.1. The contractor shall indemnify us against any and all claims arising out of product liability if such claims are due to a defect in the delivery and/or service(s) provided by the contractor. Under the same conditions the contractor shall also be liable for any damage incurred by us in such cases through the type and scope of legally required and appropriate precautionary measures, e.g. public warnings or recalls. Our right to assert our own damage claim(s) against the contractor shall remain unaffected.

13.2. The contractor shall be obliged to take out appropriate insurance against corresponding risks and provide evidence of such to us by submitting the corresponding insurance policy on request.

14. Data Protection

We shall be entitled to process and store any and all data provided by the contractor in accordance with the terms set forth in the data protection rules, even to the extent that personal data is involved.

15. References/Advertisement

The contractor shall not be authorized to use information with regard to an intended or existing contractual relationship for reference or marketing purposes without our written approval. Photographs taken on our properties or business premises as well as the use and/or publication of any kind shall be prohibited without our written approval.

16. Passing on Orders, Assignment, Title Retention

16.1. The contractor may permit the execution of purchase orders or essential parts thereof to be carried out by third parties only after obtaining our prior written approval.

16.2. The contractor shall be entitled to assign any claims against us or to have such collected by third parties only with our prior written approval unless they involve claims that are the subject of a declaratory judgment or are undisputed.

16.3. We contradict retention of title provisions on the part of the contractor insofar as they go beyond simple retention of title. They shall require prior written agreement on an individual basis. Should subcontractors nevertheless assert property rights, co-ownership rights or rights of lien and/or have execution measures carried out against us, then we in turn shall assert claims against the contractor for any and all damage incurred as a result.

17. Statutory German Minimum Wage (Gesetzlicher Mindestlohn MiLoG), German Posted Workers Act (Arbeitnehmerentendegesetz AEntG), Prohibition of Illegal Employment

- 17.1. The contractor shall be obliged to ensure that, for the fulfillment of contracts and purchase orders concluded with us, all employees, either established by him or his subcontractors, shall receive the legal minimum wage. If the scope of works or services is subject to the Posted Workers Act, the contractor shall ensure the respective mandatory minimum rate and he shall fulfill all other obligations, either statutory or agreement-based, such as the payment of contributions to social security institutions, trade associations and other institutions.
- 17.2. If justified claims have been filed against us due to the contractor's failure to comply with his obligations according to section 17.1, the contractor shall indemnify us from these claims, and to compensate us for any damages resulting from this failure.
- 17.3. Any illegal employment is prohibited.

18. Code of Conduct

We respect internationally recognized environmental, labor and social standards. This is laid down in our Code of Conduct:

<http://www.freiberger.de/en/service-contact/downloads.html>

We expect that the contractor likewise acknowledges and complies with this Code of Conduct.

19. Place of Performance, Applicable Law, Place of Jurisdiction

- 19.1. The place of performance for any and all obligations on the part of the contractor shall be the place of destination, or the place of acceptance, insofar as agreed upon or defined by law.
- 19.2. These Standard Terms and Conditions of Purchase shall be governed by German law. Application of the regulations of the United Nations (Vienna) Convention on Contracts for the International Sale of Goods (CISG) from April 11, 1980 shall be excluded.
- 19.3. The place of jurisdiction shall be Berlin, Germany. At our option we may also bring action against the contractor at the contractor's general place of jurisdiction.