



General Terms and Conditions of Purchase of Bystronic Maschinenbau GmbH

§ 1

General items, scope

(1) Our General Terms and Conditions of Purchase (AEB) are exclusively applicable. We do not recognize any terms and conditions of the Supplier that are contrary to or which vary from our terms and conditions, unless we may have specifically agreed in writing to such items being applicable. Our terms and conditions of purchase are also applicable even if we should unconditionally accept the goods or services supplied by the Supplier whilst being aware of the Supplier's terms and conditions as being contrary to or varying from our terms and conditions.

(2) All differing agreements, which may have been made between us and the Supplier for the purposes of contract performance, are to be recorded in writing.

(3) Our terms and conditions of purchase apply only with respect to companies as per § 310 Para. 1 BGB (German Civil Code).

(4) Our terms and conditions of purchase will also apply for all future business with the Supplier.

§ 2

Offer

(1) The Supplier is obliged to accept our order within a period of 2 weeks by returning the duplicate copy of this order duly signed it.

(2) We reserve title and copyright to illustrations, drawings, calculations and other documents. These may not be made available to third parties without our specific written agreement. These are to be used exclusively for production based upon our order. After completion of the order they are to be returned to us without this having to be specifically requested. They are in addition to be kept confidential with respect to third parties as per the applicability of the ruling of §10, Para. (5).

§ 3

Conclusion of contract, pricing and terms and conditions of sale

(1) The supply contract comes into effect into effect in accordance with our order upon receipt by us of the signed duplicate copy of the order in question. Should there be variances between the order confirmation and the order, then such variances must be clearly highlighted.

(2) We are entitled to change the time and place of the delivery and the type of packaging at any time by means of a written communication with a notice period of at least 7 calendar days prior to the agreed delivery deadline. The same applies for changes in product specification insofar as these can be implemented within the framework of the normal production process of the supplier without significant additional expenditure, whereby in such cases the notification period in accordance with the previous sentence will be at least 2 weeks. We will recompense the supplier for the additional costs that arise, are proven and are reasonable due to such change. Should such changes result in delivery delays which cannot be avoided in the normal production and business operation of the Supplier without unreasonable efforts, the originally agreed supply deadline will be accordingly postponed. The Supplier will inform us in writing of the anticipated additional costs or delivery delays upon its careful assessment in a timely manner prior to the delivery

deadline and in any case at least within 3 working days following receipt of our communication as per Sentence 1 here-above.

(3) We are entitled to cancel the contract at any time by means of a written declaration subject to giving the reason, if we can no longer make use of the products that have been ordered in our business operation due to circumstances arising after the conclusion of the contract. We will in this case reimburse the Supplier for the work that it has performed.

(4) In the case of a value contract, the volumes that are given simply represent an estimated amount. An obligation of acceptance on our part does not arise from this.

(5) We are entitled, up until the time of the conclusion of the contract, to withdraw from an order without any resulting liability for damage replacement.

(6) Should nothing to the contrary have been agreed in writing, we consider the pricing in the order as being a fixed price. In the event of orders without a price or with a target price, the order confirmation of the Supplier requires our approval.

(7) The price that is shown in the order is binding. In the absence of any differing written agreement the price includes delivery "free to buyer's address" including packaging. The returning of packaging requires our special agreement.

(8) The statutory VAT is to be shown separately on the invoice.

(9) Each delivery is to be accompanied by a delivery note. The delivery note and the invoice must essentially contain the following items of information:

- a) Complete order number
- b) Name of our contact or the name of the recipient of the goods
- c) Our material number
- d) Description of the goods
- e) Volumes delivered, price per unit
- f) Details concerning partial and remaining supply
- g) Country of origin and region
- h) Customs tariff number (statistical goods number)
- i) Net weight in kg per unit.

Should the Supplier fail to do this, then any delays arising in the processing due to this are not our responsibility.

(10) We pay, provided that nothing else is agreed in writing, within 14 days, calculated from delivery and receipt of invoice, with 2% discount or net within 30 days from receipt of invoice.

(11) We are entitled to rights of offsetting and retention according to statutory provisions.

§ 4

Supplier, transfer of risk

(1) The delivery time as shown in the order is binding.

(2) The Supplier is obliged to inform us immediately in writing if circumstances arise or become known to it, due to which the stipulated delivery time cannot be met.

(3) We are entitled to statutory claims in the event of delivery delays. We are, in particular, entitled to demand damage replacement instead of the performance and withdrawal following a reasonable period without a satisfactory outcome. Should we demand damage replacement, the Supplier will have the right also to prove that it has not been responsible for the the breach of duty.

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(4) Even if the shipment has been agreed, the risk passes to us only when the goods have been delivered to the agreed destination.

(5) The Supplier is not entitled without our prior written agreement to make partial deliveries.

§5

EC conformity

The goods to be supplied have to correspond to the recognised state-of-the-art with respect to safety. Goods, which come under the scope of one or several EU directives have to satisfy the relevant rules of such directives. It is the responsibility of the Supplier to check which directives are to be observed. The Supplier undertakes to make available the requisite documentation for assessing the conformities upon request. Should such a requirement not be met, the contract will be considered as not being correctly fulfilled and we will have a right to damage replacement.

§6

Warranty, liability

(1) The goods that are to be delivered must be inspected prior to dispatch by the Supplier.

We are obliged, within reasonable time limits, to inspect the goods for any quality and quantity discrepancies. A complaint will be timely providing that it is received by the Supplier within a period of 5 days calculated from the time of receipt of the goods or in the event of hidden vices as and when these are discovered.

(2) Acceptance and payment for the goods will not exclude later complaints being raised by us.

(3) The prior approval of drawings, calculations, etc. of the Supplier by us does not limit our warranty-related rights.

(4) We are entitled to make complaints for defects without restriction. In any case, we are entitled to demand at our option the rectification of faults or supply by the Supplier or the supply of a new article. The right to damage replacement, in particular that of damage replacement instead of performance, remains expressly reserved.

(5) We are entitled, at the cost of the Supplier, to undertake the rectification of faults ourselves at the expense of the Supplier if there is risk in any delay or in case any special urgency arises.

(6) The limitation period is a total of 36 months, calculated from the date of transfer of risk, provided that mandatory provisions of §§ 478, 479 BGB do not apply.

§7 Spare parts

(1) The Supplier is obliged to hold spare parts for the products supplied to us for a period of at least 10 years after delivery.

(2) If the Supplier should intend to discontinue the production of spare parts for the products supplied to us, it will inform us about this immediately after the decision on such discontinuation. This decision must - subject to Paragraph 1 - be taken at least 6 months prior to the discontinuation of the production.

§8

Product liability, liability insurance

(1) Provided that the Supplier is responsible for any product damage, it is obliged to indemnify us upon first demand against the damage replacement claims of third parties, when the cause lies within its sphere of control and organisation and it itself has liability in relation to third parties.

(2) Within the context of its liability for damage claims within the meaning of Para. (1), the Supplier is also obliged to recompense any expenses as per §§ 683, 670 BGB or as per §§ 830, 840, 426 BGB to us, which may arise from or in connection with a product recall program implemented by us. We will inform the

Supplier regarding the content and extent of such recall program actions to be undertaken - to the extent that is possible and reasonable - in good time in advance and give to it the opportunity for stating its opinion. Other statutory claims remain unaffected by this.

(3) We will undertake the necessary action of informing the respective competent authorities in accordance with the rules of the German ProdSG act (German Product Safety Act), in agreement with the Supplier.

(4) The Supplier undertakes to take out a product liability insurance with an insured sum of € 10 Mio. per event of damage to persons/damage to property - as a lump sum - for the duration of this contract, i.e. up until the respective expiry date of the limitation period for complaints based on defects. Should we have further damage replacement claims, then these will remain unaffected by this.

§9

Trade mark rights

(1) The Supplier is responsible for ensuring that no rights or business secrets of third parties are infringed in connection with its supply.

(2) Should we receive claims from a third party on the basis of § 8 Para. (1), then the Supplier is obliged to indemnify us upon first written request against such claims.

(3) In the event of damage replacement claims from a third party, the Supplier will be obliged to prove that it has not been responsible for the breaching of the rights of such third party. We are not entitled to make any agreements and in particular to conclude any settlement with the third party without the approval of the Supplier.

(4) The Supplier's obligation of indemnification relates to all applications, which arise of necessity from or in connection with the lodging of a complaint by a third party, provided that the Supplier does not prove that it has not been responsible for such breach of trademark rights on the basis of the existing breach of duty.

(5) The limitation period runs for three years, commencing from the transfer of risk.

§10

Reservation of proprietary rights, provision, tooling, maintenance of confidentiality

(1) If we should provide parts to the supplier, we will maintain the ownership of these. Preliminary processing or restructuring by the supplier will be undertaken for us. If an item of our goods supplied under reservation of title should be processed together with other objects that do not belong to us. Then we shall acquire ownership of the new item in relation to the value of our item (purchase price plus VAT) against the value of the other processed objects at the time of the processing.

(2) If the item of our goods supplied should be inseparably incorporated with objects that do not belong to us, then we shall acquire ownership of the new item in relation to the value of the item of goods supplied under reservation of title (purchase price plus VAT) against that of the other objects at the time of the incorporation. Should such incorporation be performed in such a manner that the Supplier's item is viewed as being the main component, then it will be agreed that the Supplier partially assumes joint title with us. The Supplier retains sole title or joint title for us.

(3) We reserve our title to tooling. The Supplier is obliged to use the tooling exclusively for the production of goods ordered by us. The Supplier is obliged to insure the tooling that belongs to us at its as-new value at its own costs against fire and water damage and theft. At the same time, the Supplier is to assign all damage claims from this insurance to us. We hereby accept this assignment. The Supplier is obliged to

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perform on our tooling any necessary servicing and inspection work and all maintenance and repair works at its own expense in a timely manner. It has to advise us immediately of any breakdowns. Should it culpably fail to do this, then rights to damage replacement claims remain unaffected. In no case does the Supplier have any right of retention.

(4) If the security rights to which we are entitled as per Para. 1 and/or Para. 2 should exceed the purchase price of all our unpaid goods supplied under reservation of title by more than 10%, we are obliged at the Supplier's request to surrender the security rights at our option.

(5) The Supplier is obliged to keep strictly confidential all illustrations, drawings, calculations and other documents and information that it has received. These may only be shown to third parties with our specific agreement. The confidentiality obligation applies also after the conclusion of this contract. It shall expire if and to the extent that the knowledge contained in the illustrations, drawings, calculations and other documents that have been handed over has become generally known or or has been demonstrably already at the time of the communication within the meaning of Sentence 1 been known. The Supplier will obligate its sub-suppliers accordingly as per §10 Para. 5.

§11

Force majeure

(1) In cases of force majeure the contractual partner that is affected by this is released for the duration and up to the extent of the effect of the obligation from the supply or acceptance obligation. Force majeure is any event that is beyond the control of the respective contractual partner, through which it wholly or partially is prevented from fulfilling its obligations, including fire damage, floods, strikes and legally valid lockouts and operational stoppages not caused by it or official orders. Supply difficulties or other performance breakdowns by sub-suppliers of the Supplier only apply as force majeure if such sub-supplier for its part is prevented from carrying out its due performance by any occurrence as per Sentence 1.

(2) The contractual partner that is affected will immediately notify the other contractual partner and employ its best efforts to remove the force majeure and to limit its effects as far as possible.

(3) The contractual partners will reach an agreement upon the occurrence of force majeure on the further proceedings and will establish whether after it ends the products that have not been delivered during the intervening time should be subsequently supplied. Regardless of this, either contractual partner is entitled to withdraw from any orders affected by this, if the period of force majeure should be greater than 6 weeks from the agreed delivery date. The right of each contractual partner to terminate the contract in the event of any longer lasting force majeure remains unaffected. ▬

§ 12

Court of jurisdiction, place of performance, applicable law, miscellaneous provisions

(1) If the supplier is a merchant, the court at the location of our registered office shall be the court of jurisdiction. We are also entitled to raise a complaint against the Supplier in the court at its location of its registered office.

(2) Provided nothing to the contrary is specified in the order, our registered office should be the place of performance.

(3) The contracts concluded between us and the Supplier are subject to the law of the German Federal Republic. The United Nations Convention on Contracts on the International Purchase of Goods dated 11th April 1980 (CISG) does not apply.

(4) Any amendments and supplements to the contract between the Supplier and us are required to be in writing.

Should any provision of the concluded contract be unworkable, the remaining provisions shall be unaffected by this. The contractual partners will agree to replace such unworkable provision with a valid provision, which comes closest to the commercial objective of the original provision.

Bystronic Maschinenbau GmbH

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