

**General Terms and Conditions of Purchase of MEZGER Heftsysteme GmbH
(hereinafter referred to as "MEZGER")**

1. GENERAL, WRITTEN FORM, AREA OF APPLICATION

- 1.1. Orders from MEZGER are subject to the exclusive application of the following general terms and conditions of purchase (GTCs). General terms and conditions of the supplier which deviate from or contradict these GTCs, are not accepted by MEZGER unless MEZGER has explicitly accepted their validity in writing.
- 1.2. Additional verbal agreements have not been made. Amendments or additions to the contracts concluded between MEZGER and the supplier require the written form. This also applies to any change to this written form requirement.
- 1.3. These GTCs also apply, unless otherwise agreed, to all future contracts with the supplier, even in the event that MEZGER no longer makes reference to these GTCs.

2. PURCHASE ORDER CONFIRMATION / AMMENDMENTS

- 2.1. The order is to be confirmed by the supplier immediately. The order confirmation must contain the following: Purchase order number, name of MEZGER, order date, order amount, unit of price from MEZGER as well as the list price, rebate, discount, agreed delivery terms and terms of payment, dispatch type, all additional expenses and binding delivery date.
- 2.2. MEZGER has the right to request changes regarding
 - (i) Arrangements for packaging and dispatching
 - (ii) Place of delivery
 - (iii) Time of delivery
- 2.3. The same applies to specifications, drawings and other contractual information applying specifically to goods to be produced for MEZGER, provided this can be implemented within the supplier's normal production process and without considerable additional expense.
- 2.4. The supplier shall report to MEZGER in writing increases or decreases in costs or delays in delivery as anticipated by the supplier on the basis of careful assessment and do this in good time prior to the delivery date, no later however than within 3 working days following receipt of the request for the change in accordance with point 2.1.
- 2.5. If MEZGER decides to implement the change, MEZGER shall reimburse to the supplier additional costs incurred and communicated and verified in accordance with point 2.3 as a result of the change; in the event of reduced costs, the price shall be reduced accordingly in accordance with number 5. If such changes result in delayed delivery, which, in the event of all reasonable measures being taken, are unavoidable in the supplier's normal production and business dealings, then the delivery date originally agreed will be deferred accordingly.

3. DELIVERY, DELAY, SPARE PARTS

- 3.1. The supplier is obliged to deliver the goods in the agreed quantity and in accordance with the pricing agreements, specifications, drawings or samples.
- 3.2. In the event of a culpable breach of the contractually agreed delivery date, MEZGER is entitled to payment of a contractual penalty for each working day exceeding the delivery deadline of 0.1 % of the net order amount, in total however to a maximum of 5 % of the net order amount. The agreement of a contractual penalty does not exclude the assertion of further claims. The contractual penalty, however, is to be deducted against any compensation claims. Contractual penalties already imposed are not cancelled as a result of the agreement of new dates.
- 3.3. The supplier must inform MEZGER immediately in writing, if circumstances arise or become apparent which show that the contractually agreed delivery dates cannot be met.
- 3.4. If the supplier delivers before the agreed delivery date, MEZGER is entitled at its own discretion either to reject the goods or to accept the goods and to withhold the purchase price until the agreed due date.
- 3.5. The supplier is obliged to deliver spare parts for the period of common technical use, at least however, five years after the last delivery of the goods in each case, and at normal market conditions.

4. DISPATCH, PACKAGING, TRANSFER OF RISK

- 4.1. Unless otherwise agreed, DDP Nuremberg INCOTERMS 2010 apply to this delivery.
- 4.2. All goods must be adequately packed, and dispatched in accordance with the specifications set out in these GTCs.
- 4.3. The supplier must enclose a delivery note with each consignment

showing order number, part numbers and quantity; the final copy must contain the note "Order complete". The order number must be visibly added to each unit of packaging, each delivery note and each invoice.

- 4.4. The risk in terms of performance and price does not transfer to MEZGER until hand-over, inspection and acceptance of goods by MEZGER.
- 4.5. The supplier is liable for all transport damage as a result of insufficient securing of the goods during transport. The supplier shall bear additional costs, in particular those incurred due to deviation from the transport route, non-compliance with the dispatch specifications and insufficient description of the goods in the freight documents.

5. PRICES; PAYMENT; INVOICE

- 5.1. The prices shown in the order shall apply. Price increases by the supplier shall only take effect if they have been mutually agreed in writing with MEZGER.
- 5.2. In the absence of any written agreement to the contrary, the price includes delivery and transport to the dispatch address specified in the contract.
- 5.3. Unless otherwise agreed, MEZGER shall pay invoiced amounts due within 14 days with 3 % discount or within 30 days without deductions following delivery of the goods and receipt of the invoice. The payment is made using a mean of payment chosen by MEZGER and to the payment receiver as stated by the supplier.
- 5.4. On the day of dispatch of the goods, a single copy of the invoice is to be delivered to MEZGER. This must contain the following: Order number, name of MEZGER, order date, order amount, price unit from MEZGER as well as the list price plus VAT, discount, cash discount, agreed delivery terms and terms of payment, dispatch type, all additional expenses as well as delivery date and delivery note number. The sales tax is to be shown separately.
- 5.5. Invoices for services will only be accepted by MEZGER, if confirmed job tickets and material slips from MEZGER are included.

6. WARRANTY; LIABILITY, EXEMPTION

- 6.1. The supplier guarantees that the goods supplied by him
 - (i) Do not infringe any third-party property rights in countries of the European Union, the USA or other countries in which the supplier manufactures products or has products manufactured
 - (ii) Are free of manufacturing, material or processes defects and are of good quality at a standard appropriate for the market
 - (iii) Are new and not used, reworked or remanufactured (unless this has been expressly agreed between the parties)
 - (iv) Agree with the specifications or samples released and approved by MEZGER and comply with assurances made to MEZGER in this regard by the supplier
 - (v) Have been manufactured, packed, labelled and supplied in accordance with the applicable statutory and official provisions, in particular the regulations regarding minimum wage and, if applicable, further provisions of the relevant authorities (e.g. TÜV).
- 6.2. The supplier shall identify the purpose of the ordering of the goods by MEZGER and undertake all that is necessary to deliver the relevant goods or perform the relevant services at the level of quality required by MEZGER.
- 6.3. Notification of variation in terms of quality or quantity is regarded in any event as having been given in time if the supplier is notified within 5 working days of receipt of the goods. Notification of hidden defects shall be regarded in any event as having been given in time if the supplier is notified within 5 working days following their discovery.
- 6.4. In the event of a defect, MEZGER is entitled at its own discretion, to demand remedy of the defect or delivery of a new article. Claims for damages by MEZGER as well as further statutory or contractual claims by MEZGER remain unaffected.
- 6.5. Expenses required for supplementary performance, in particular costs for transport, travel, labour and material costs and any cost of installation and removal ("Supplementary performance costs") shall be borne by the supplier.
- 6.6. Costs incurred by the supplier for the purpose of checking the existence of a defect and any costs of supplementary performance already incurred shall be borne by the supplier, even if it then becomes apparent that no actual defect exists. The liability of MEZGER for damages in the event of an unjustified demand for remedy of a defect remains unaffected; however, MEZGER shall only be liable however insofar as MEZGER has recognized or was grossly negligent in failing to recognize that no defect was present.

- 6.7. If the supplier fails to meet its obligation for supplementary performance within an appropriate period set by MEZGER, then MEZGER may remedy the defect itself and demand compensation from the supplier for the necessary expenses for this. If supplementary performance on the part of the supplier fails, or is unreasonable for MEZGER (e.g. due to particular urgency, risk to operational safety or imminent occurrence of disproportionate damages) then there shall be no need to set a deadline; MEZGER shall inform the supplier of such circumstances immediately.

- 6.8. Warranty claims shall be time-barred after 36 months of the transfer of risk.

7. PRODUCT LIABILITY, EXEMPTION

- 7.1. If the supplier is responsible for product damage, then the supplier is obliged to exempt MEZGER from third-party claims, demands and claims for damages insofar as the cause lies within the supplier's sphere of control and organization and the supplier is individually liable to third parties.

- 7.2. Within the scope of liability pursuant to number 7.1, the supplier shall also reimburse MEZGER such reasonable expenses as incurred by MEZGER in connection with the implementation of a product recall. MEZGER shall inform the supplier regarding the implementation of any such product recall and provide the supplier with an opportunity to comment. Further statutory claims by MEZGER remain unaffected.

8. NONTRANSFERABILITY

The supplier is not entitled to arrange for his obligations vis-à-vis MEZGER to be performed in whole or in part by a third party or to transfer these to a third party.

9. RIGHT OF RETENTION, OFFSETTING / ASSIGNMENT

- 9.1. The supplier is only entitled to offsetting provided his counterclaims are undisputed and have been stated as legally binding.
- 9.2. The same applies to the right of retention and the right to withhold performance in accordance with Sections 320, 273 of the German Civil Code. The supplier may only exercise such rights, if they originate from the same contractual relationship. In an ongoing business relationship, each individual order is regarded as a separate contract.
- 9.3. The assignment of demands against MEZGER is only effective with written approval.

10. DISCLOSURE OF COMPONENTS, WARNING NOTICE

- 10.1. At the request of MEZGER, the supplier shall provide the following information in the manner specified by MEZGER, provided the issue of this information to MEZGER is not contrary to confidentiality interests of the supplier which are objectively justified.

(i) A list of the components contained in the respective goods; as well as

(ii) The precise quantities of components contained

Furthermore, the supplier shall inform MEZGER without request and immediately regarding any change in, or addition to the composition of the components.

- 10.2. In the event that the goods contain components which present a risk to health and safety, the supplier shall forward sufficient warning notices in writing to MEZGER and attach these to the goods, containers and packaging prior to delivery of the contractual goods. At the same time, the supplier shall make relevant guidance material available to MEZGER in writing, so that MEZGER can instruct transport personnel, employees and other third parties, who necessarily come into contact with the goods, in order to avoid all damage to life, limb and health and to other legal assets of MEZGER or third parties.

- 10.3. The supplier shall provide all goods with warning notices and declarations as prescribed by law in the countries of origin and destination.

11. MEZGER'S OWNERSHIP OF TOOLS, DESIGNS, DRAWINGS, SPECIFICATIONS AND TECHNICAL INFORMATION

- 11.1. The supplier must, at its own cost, provide the necessary tools, materials, supplies, workers and equipment necessary for the completion of the order and prepare the necessary drawings and designs.

- 11.2. MEZGER retains ownership of any drawings, images, calculations, descriptions and other documentation made available to the supplier including intangible property rights such as copyrights. Without MEZGER's express permission, the supplier is not permitted either to make these documents accessible to third parties, or to use or copy the documents itself or by means of third parties for purposes other than the completion of the order.

- 11.3. The supplier must return these documents in their entirety to MEZGER, if the supplier no longer requires these in the normal course of business and if negotiations do not result in the conclu-

sion of a contract. In this case, copies made of these by suppliers are to be destroyed; the exception to this is the retention as part of the statutory obligation to preserve documents as well as the storage of data for security purposes as part of the customary data protection.

- 11.4. Tools, equipment and patterns made available to the supplier or manufactured for contractual purposes and invoiced separately to MEZGER remain the property of MEZGER or become the property of MEZGER. They are to be identified as the property of MEZGER by the supplier, to be stored with care, only to be used for the purposes of the contract and not be processed or changed without the prior written consent of MEZGER.

- 11.5. The supplier must secure the tools, equipment and patterns against fire, theft and other risks in an appropriate manner for the period during which these are made available by MEZGER and, on request, provide information to MEZGER regarding insurance protection in an appropriate form. The supplier shall inform MEZGER immediately of all damage to these items which is not merely negligible damage.

12. CONFLICT MINERALS

- 12.1. The supplier must ensure that parts and products supplied to MEZGER are "conflict-free with respect to the Democratic Republic of Congo and its neighbouring states". This means, if they contain metals extracted from columbite-tantalite (tantalum), cassiterite (tin), gold, wolframite (tungsten) or derivatives of these (collective term "conflict minerals"), then these conflict minerals must not originate from the Democratic Republic of the Congo or a neighbouring state ("affected countries"). Nevertheless, if this is the case, then certification regarding their freedom from conflict must be present, i.e. certifying that in mining and trading the precious minerals, armed groups of insurgents were neither directly nor indirectly financed or supported in the countries affected.

- 12.2. The supplier must create and introduce measures and frameworks for due diligence and administrative systems which comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

- 12.3. The supplier acknowledges and accepts that, as a subsidiary of a US corporation, MEZGER must comply with the requirements under section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act - abbreviated as "Dodd Frank" - and the regulations of the U.S. Securities and Exchange Commission - abbreviated as "SEC", which include an obligation to the notification of the use of conflict minerals in the production of products.

- 12.4. The supplier agrees to support MEZGER in its efforts relating to due diligence for compliance with provisions of the "Dodd Frank" Act and the regulations of the SEC.

- 12.5. Furthermore, the supplier must disclose to MEZGER any use of conflict minerals for the production of all parts and products which are the subject-matter of this agreement. If such materials are used, then the supplier shall forward an appropriate description of the measures taken to guarantee the certainty of both the origin and the product chain of such conflict minerals.

13. FORCE MAJEURE

- 13.1. MEZGER is not responsible for damages resulting from delayed acceptance or non-acceptance of the goods or non-fulfilment of other contractual duties of MEZGER, in particular obligations to cooperate due to force majeure.

- 13.2. All circumstances for which MEZGER cannot be held responsible and as a result of which it is impossible or unreasonable to accept the goods, in particular as legitimate strike or lockout, official actions for which MEZGER cannot be held responsible, a ban on imports or exports, fire, accidents, terrorism, forces of nature as well as war are the equivalent of force majeure. If a circumstance exists which qualifies as force majeure, then the delivery time is extended by the duration of the existence of the force majeure.

- 13.3. MEZGER shall inform the supplier immediately regarding the existence of circumstances within the meaning of number 13.2.

14. SEVERABILITY CLAUSE, COURT OF JURISDICTION, APPLICABLE LAW, PLACE OF FULFILMENT; LANGUAGE

- 14.1. Should individual provisions or parts of these GTCs be or become invalid, then the validity of all other provisions remains unaffected. The parties undertake to replace an invalid provision by a stipulation which comes as close as possible to the purpose of the contract and the will of the parties.

- 14.2. The place of fulfilment, unless otherwise specified in the order, is the headquarters of MEZGER.

- 14.3. Exclusive place of jurisdiction is the headquarters of MEZGER. MEZGER is entitled, nevertheless, to sue its supplier at the supplier's general place of jurisdiction.

- 14.4. The legislation of the Federal Republic of Germany shall apply exclusively. The application of German International Private Law and the UN-Commercial Law (CISG) is excluded.

- 14.5. The contract language is German. If MEZGER and the supplier

utilize another language to improve understanding, the German language of the agreements shall have priority in cases of doubt. All correspondence as well as documents are to be prepared in German.

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