



General Terms and Conditions of Purchase of PCW GmbH

As of January 2017

I. Scope of application

1. Our General terms and conditions of purchase ("GTCPs") apply to all contracts with business partners from whom we receive deliveries or other services ("suppliers"). Our GTCPs shall apply exclusively. We do not acknowledge the supplier's contradictory or differing conditions, even if they were not expressly rejected or we unconditionally accept a delivery or performance in awareness thereof.
2. Our GTCPs shall likewise apply to future transactions with the supplier - in the version applicable at the time the relevant order is issued.
3. To the extent reference is made in the order confirmation or other correspondence to commercial contract forms, the "International rules for the interpretation of commercial terms (Incoterms® 2010) shall apply.
4. Our GTCPs apply only to entrepreneurs for purposes of Section 14 BGB [German Civil Code], a legal entity under public law or special fund under public law for purposes of Section 310(1)(1) BGB.

II. Offers and offer documentation

1. We reserve the right to revoke our orders until acceptance by the supplier.
2. We reserve title and copyright to drafts, drawings and other documents; otherwise VII. No. 4 shall apply.

III. Prices

1. The prices expressed in our orders are understood to be in Euro and are binding.
2. The price includes the costs of packaging and shipping. Unless otherwise agreed, the supplier is obliged to dispose of the packaging at no cost to us.

IV. Invoicing and payment terms

1. We can only process supplier's invoices if these - according to the conditions set forth in our order - provide the order number given therein; the supplier shall be responsible for all consequences of non-compliance with this obligation, unless the supplier demonstrates that it was not responsible for this.
2. Payments are made within 14 days following receipt of the invoice, subject to a 3% discount, or within 30 days net, unless special agreements are made in the order. Payments do not mean acknowledgement that deliveries or other performances conform to the contract.
3. We are entitled to cash payments unless otherwise agreed. If the supplier provides us with its banking details on the order confirmation or invoice, we shall be entitled to settle the supplier's invoices by way of bank transfer to the account so listed. We are entitled to pay by cheque, provided the cheque is covered.

4. We are entitled to the rights of offset and withholding of payment to the extent permitted by law.
5. Unless otherwise agreed, the supplier's claims arising from the commercial relationship may be assigned only with written approval from us. The same applies to the pledging of contractual claims. We shall not withhold such approval without material grounds.

V. Delivery time

1. The delivery time listed in our order is binding on the supplier.
2. The supplier is obliged to immediately inform us, at least in writing, if circumstances arise become apparent to the supplier from which it follows that the specified delivery or performance time cannot be maintained.
3. In case of default, we shall be entitled to demand liquidated default damages in the amount of 1% of the value of the delivery or performance per complete week, but in no case more than 5% of the value of the delivery or performance. Additional statutory claims, particularly claims for greater default damages, are precluded.

VI. Service, delivery, risk transfer, default in acceptance

1. Unless otherwise agreed, the supplier is not entitled to render the performance due from it through a third party. The supplier bears the procurement risk for its deliveries and performances, unless agreed otherwise in individual cases.
2. Delivery inside Germany shall be "Carriage Paid To" (CPT) at the location listed in the order. If no delivery location is listed, then delivery shall be made at our place of business. The respective place of performance is also the place of discharge (obligation).
3. Delivery shall be accompanied by a delivery note listing the date (issuance and shipment), content of the delivery (item number and quantity) as well as our order identification (date and number). If the delivery note is not included or is incomplete, then we shall not be responsible for any delay in processing and payment resulting therefrom. A dispatch note with the same content shall be sent separately from the delivery note.
4. The risk of accidental loss and accidental deterioration of the goods shall pass to us upon transfer at the place of fulfilment. To the extent acceptance is agreed, then this shall be controlling with respect to the transfer of risk. In this case, upon acceptance the statutory provisions of work contracts law shall apply. Transfer of title and acceptance of performance shall be equivalent if we are in default of acceptance.
5. The statutory provisions shall apply to our entry into default of acceptance. If the con-



tract pertains to an item to be manufactured by the supplier which cannot be substituted (product made to specification), the supplier shall only have recourse to rights under Section 642 BGB [German Civil Code] if we have failed to provide necessary cooperation or not provided it on a timely basis, and this is the cause of the default. Cancellation according to Section 643 BGB is permitted only after setting a reasonable period of notice, combined with the declaration that cancellation will follow if the action is not undertaken within such period.

VII. Retention of title, provision and non-disclosure

1. If we provide parts to the supplier, we reserve title to such parts. Processing or reconstruction by the supplier shall be undertaken on our behalf. Should our goods subject to retention of title be processed together with other items not belonging to us, we shall obtain co-ownership of the new item in proportion to the value which the goods subject to retention of title (purchase price plus VAT) bears to the other processed items at the time of such processing. The new item created from such processing shall be stored for us free of charge.
2. If the item provided by us is indivisibly mixed, combined or joined with items not belonging to us, then we shall acquire co-ownership of the new item in the proportion which the value of the goods subject to retention of title (purchase price plus value added tax) bears to the other items at the time of the mixing, combining or joining. If the mixing, combining or joining takes place in a manner such that the supplier's item must be viewed as the main item, then it is agreed that the supplier shall transfer co-ownership to us in the ratio which the value of the goods subject to retention of title bears to the other goods at the time of such joining, mixing or combining; the supplier shall store the new item in which sole ownership or co-ownership has arisen on our behalf free of charge.
3. We retain title to formulas; the supplier is obliged to employ the formulas exclusively for the manufacture of goods ordered by us.
4. The supplier shall be obliged to treat all received figures, drawings, calculations and other documents and information as strictly confidential. These may be disclosed to third parties only with our express approval. They shall be used exclusively for purposes of manufacturing based on our order. Upon completing the order, they must be returned to us without request. The duty of non-disclosure shall also apply after the completion of this contract; it shall lapse if and insofar as the manufacturing knowledge received in the figures, drawings, calculations and other documents transferred become publicly known. The provisions of this paragraph shall apply accordingly to us if we receive figures, drawings, calculations or other documents

from the supplier which are not the object of the delivery or other performance.

VIII. Supplier's retention of title

Any retention of title by the supplier, of whatever type, shall only become a component of the contract if such retention of title expires upon payment of the agreed price of the goods subject to retention of title. Further retentions of title by the supplier are excluded.

IX. Warranty claims, rights and expiration

1. If the goods or work are defective, the respective statutory provisions shall apply to the supplier's liability for defects.
2. If the sale is a commercial transaction for both parties, then PPM shall immediately inspect the goods after delivery by the supplier, provided this is feasible in the ordinary course of business and, if a defect is evident, shall immediately inform the supplier.
3. The statutory warranty claims shall remain available to us without restriction; in every case of defective goods we shall be entitled to demand from the supplier, at our option, remedy of such defect or delivery of a new item. The right to compensatory damages, particularly compensatory damages in lieu of performance, is expressly reserved.
4. Should the supplier fail to begin remedying the defect immediately upon our demand to remedy the defect, we shall be entitled to undertake remedy of the defect at the supplier's cost, in urgent cases, ourselves or through a third party, especially if there is a danger of default or in order to avoid more extensive damages. In case the supplier fails to immediately remedy the defect, we may only avail ourselves of this right if we advise the supplier in our demand for remedy of the defect that an impending situation for purposes of the foregoing sentence exist, which precludes setting even a short period for the supplier to provide its own remedy.
5. The limitation period for warranty claims shall be 36 months, calculated from the date of risk transfer. If the supplier fulfils its duty of subsequent performance by replacement or re-manufacturing, then the limitation period shall begin to run anew for the replacement goods or for the work produced as a replacement after its delivery or acceptance, unless the supplier expressly and justifiably declares in conjunction with the replacement or re-manufacture that it only undertook the replacement or re-manufacture as a goodwill gesture, to avoid disputes or in the interests of continuing the supplier relationship.

X. Release from product liability

1. If product damage is caused by a delivery or performance and the supplier is responsible, it shall be obliged to release us from third party claims for damages in this respect upon the first request, provided the supplier itself is externally liable.
2. In the context of liability for the damages cases listed in No. 1, the supplier shall also be



obliged to reimburse potential expenses according to Sections 683, 670 BGB and according to Sections 830, 840, 426 BGB, which arise from or in connection with a recall action undertaken by us. Other statutory claims shall remain unaffected.

XI. Intellectual property rights

1. In the context of liability for legal defects, the supplier shall ensure that no third party intellectual property rights are infringed by its performance or delivery.
2. If a third party asserts a claim against us for infringement of intellectual property rights and the supplier is responsible for this, then the supplier shall be obliged to release us from such claims upon first written request; we shall not be entitled to make any sort of agreement with the third party without the supplier's approval, particularly a settlement agreement.
3. The supplier's duty to release shall apply to all costs which necessarily accrue to us from or in connection with such assertion by a third party and shall not be limited in amount.
4. In addition, the respective statutory provisions shall apply.

XII. Place of performance, applicable law, venue

1. Unless otherwise agreed, the place of performance for all obligations arising from the business relations shall be our registered office.
2. The law of the Federal Republic of Germany shall apply exclusively to all legal relationships between us and the supplier. Application of the CISG or other conventions concerning the law of sales of goods shall be excluded.
3. If the contract partner is a merchant, a legal entity under public law or a special fund under public law for purposes of Section 310(1)(1) BGB, then venue shall, at our discretion, be our location or within the general jurisdiction of the purchaser. This shall likewise apply to disputes in documentary, exchange or cheque procedures or where the purchaser has no court of general jurisdiction in Germany or, after the contract is concluded, maintains or transfers residence or usual place of abode outside of the Federal Republic of Germany.

XIII. Prevailing version

In cases of doubt, the German version of these GTCPs shall prevail.

XIV. Final provisions

1. There are no oral side agreements.
2. Invalidity of any individual provision of these GTCPs shall not affect the validity of the remaining provisions.