General Terms and Conditions of Purchase
Diehl Metal Applications GmbH
as of 03/2019

1. Deviating Terms and Conditions, Acknowledgement of Ordinary Retention of Title Clauses of the Supplier

1.1. By accepting our order the Supplier declares its consent with these General Terms and Conditions of Purchase. Our General Terms and Conditions of Purchase shall also solely be applicable in case our order is confirmed by the Supplier in deviation to our Conditions, even if we do not explicitly contradict. Thus, deviations to our Conditions shall be valid only if they are explicitly confirmed by us in writing. If the Supplier does not approve of the above handling, he has to immediately and expressly notify us thereof by separate letter. In this case we reserve the right to rescind the order. Our Conditions shall be applicable to future orders even if no explicit reference is made thereto.

1.2. However, we approve of a (simple) retention of title clause by way of which the Supplier reserves the ownership in a specific merchandise delivered by it until complete payment of this merchandise. We equally approve of an (extended) reservation of title clause, by means of which the Supplier's grants its approval to a processing, mixing and/or combination of the delivered items or to their resale on condition that the Supplier is granted an appropriate share in the ownership of the new object respectively, in case of resale, an appropriate share in our payment claim against our customer.

2. Acceptance of Orders

Unless otherwise agreed upon, orders as well as alterations thereof shall be legally effective only if placed in text form. Orders made orally and order changes shall be effective only if confirmed by us in text form.

3. Documents Provided

Documents, data and data carriers provided to the Supplier for the purpose of submitting an offer or for execution of the contract shall entirely remain our intellectual and physical property and must not be used for other purposes, copied or made available to any third party. Parts / systems which have been manufactured on the basis of documents designed by us, like drawings, models and the like, or by means of confidential information provided by us, or by use of our tools or copies of such tools, must not be used by the Supplier for its own purposes nor be manufactured for, offered or delivered to any third party or otherwise be used for the Supplier's own purposes or for any third party.

4. Tools

4.1. Tools, appliances, models, gauges and testing devices (hereinafter collectively referred to as "tools") as well as, if applicable, drawings, design data, machine parameters, models, calculations etc. (hereinafter collectively referred to as "tool design") made available for the purpose of manufacture / procurement of tools shall entirely remain our physical and/or intellectual property, respectively shall immediately upon their manufacture / delivery become our property. Tools and tool designs of our customers which we make available to the Supplier for the performance of the contract shall entirely remain our customers' property.

4.2. With regard to tools handed over by us to the Supplier (be it our own or our customers' tools), the Supplier shall be obligated to immediately examine if such tools bear a property marking and – if such a property marking is missing – to affix the necessary marking. With regard to tools manufactured or procured by the Supplier, the Supplier shall be obligated to immediately affix a permanent and undetachable property marking on the tool itself. In case the Supplier does not have the data necessary for the marking according to this clause 4.2, the Supplier shall be obligated to immediately ask us for the relevant data.

4.3. The Supplier may use the tools only for the purpose of performance of this contract and not for its own or other purposes. The making available of the tools to third parties, the changing or supplementing of the tools, their reproduction, association or mixing with other objects shall be permissible to the Supplier only after our prior written approval.

5. Compliance with the Regulations for External Contractors in Connection with the Performance of Tasks on our Business Premises

In case tasks have to be performed by the Supplier on our business premises, the Supplier shall be obligated to accept the general safety regulations in force for the performance of tasks by external contractors and to safeguard that these regulations are complied with both by his personnel and his sub-contractors. If the relevant tasks are dangerous, the Supplier shall prior to commencement of such activities moreover be obligated to carry out a hazard analysis and provide us with evidence thereof.

6. Payment

6.1. The quantity delivered shall be payable insofar as it corresponds to the order. In this connection, the quantity identified by our incoming goods department shall be relevant.

6.2. Unless otherwise expressly agreed upon, payment shall be effected within 30 days from receipt of the merchandise and proper invoice.

7. Assignment of Claims

The assignment of claims against us shall only be valid with our prior written approval.

8. Delivery, Deviations from the Quantity Ordered

8.1. Agreed delivery dates and periods are binding. Relevant for judging compliance with the delivery date or period is the receipt of the merchandise by us. Unless otherwise expressly agreed, delivery shall be effected DDP (INCOTERMS 2010 respectively the latest INCOTERMS version applicable at the time of conclusion of contract) to the delivery address / unloading sites indicated by us. If the Supplier foresees difficulties with regard to the supply with primary materials, in manufacture or similar circumstances which may prevent it from timely delivery, the Supplier shall immediately notify our purchasing department. Notwithstanding such a notification, the legal provisions shall apply in case of non-observance of agreed delivery dates.

8.2. The ordered quantities have to be strictly adhered to. Deliveries going below and beyond the quantities ordered shall be permissible only if expressly approved by us. In the absence of such prior approval, the delivery of lower quantities and the excess part of deliveries going beyond the ordered quantity may be rejected.

8.3. If order and call-off plans are placed with the Supplier, such plans shall be made on a rolling basis for the relevant time period indicated. Unless otherwise agreed upon separately in writing, you shall (i) receive a binding production release for 2 weeks ("order"), (ii) a release for ordering primary materials for 6 weeks ("material release") as well as (iii) a non-binding assessment of our prospective demand for contract products ("forecast").

9. Reduced Incoming Inspection; Notification of Defects

We are obligated to carry out incoming inspection in terms of § 377 HGB (German Commercial Code) only with respect to the identity of the merchandise delivered, the quantity as well as with regard to obvious transport and packing damage visible on the outside of the merchandise. If a defect is found, it has to be notified by us in text form within 8 working days from discovery, at the latest. This deadline is also deemed to be met if, at the last day of the deadline, we send the notification of defect or a registered letter to the Supplier. Defects not identified within the framework of such an incoming inspection do not release the Supplier from its responsibility for hidden defects that become apparent only upon processing or later use of the merchandise. Hidden defects have to be notified by us within 8 working days from their discovery or from gaining knowledge thereof.

10. Unrestricted Liability for Vicarious Agents

The Supplier cannot invoke the fact not to have (completely) manufactured the delivery item itself but partially or entirely by availing itself of a third party, be it a third party manufacturer, subcontractor or the like. In this case fault on the part of such third party or – insofar and to the extent that such third party did not perform manufacture itself – the fault on the part of the manufacturer, is attributed to the Supplier as if it were its own fault. This Clause 10 shall apply irrespective of the contract between us being a contract to produce a work, a contract for the supply of goods to be produced or manufactured, a supply or service contract.

11. Determination of the Required Condition of the Merchandise

The agreed specifications shall be deemed to be a quality and durability guarantee in terms of § 443 BGB (German Civil Code) for the duration of the warranty period.

12. Liability for Defects

12.1. Handling of Parts Concretely Identified as Defective

If the delivered merchandise / work produced ("part") turns out to be defective, we can grant the Supplier a reasonable period, at our discretion, either for replacement or repair of the part ("supplementary performance"). The Supplier has to bear all costs and expenses necessary in connection with the supplementary performance, in particular transport costs, workmen's travel, costs of work and material, sorting costs, costs incurred in connection with the detection of defects and examination costs, expert costs, lawyer's costs, costs of an incoming inspection going beyond the ordinary scope, etc. If necessary, the part also has to be disassembled and subsequently to be reintegrated for this purpose. If the Supplier is not in a position to do so at a reasonable expense or if the disassembly and reintegration by the Supplier is contrary to our legitimate interests, we shall perform such disassembly / reintegration on behalf and at the expense of the Supplier. If the Supplier either (i) does not or (ii) does not timely or (iii) refuses to effect supplementary performance or (iv) if two attempts at rectification of defects fail or (v) in case of a safety-relevant defect, i.e. a defect which entails the risk of serious injury to persons or damage of other objects than the delivery item, at least one attempt at rectification fails or (vi) the Supplier is obviously not capable of effecting supplementary performance or (vii) it is unreasonable for us to wait for supplementary performance on grounds of impending exceptionally high damage, we shall have the following rights:

a) We may effect the necessary supplementary performance ourselves or have suitable third parties effect such performance at the expense of the Supplier ("self-repair"). However, the Supplier may refuse supplementary performance if and insofar as it would entail excessive costs; in this case we shall also not be entitled to a compensation of the costs of self-repair; or

b) we may reasonably reduce the price of the defective parts, or

c) we may withdraw from the contract, retain the purchase price or claim repayment thereof and make the defective parts available for collection or, at the request and expense of the Supplier, properly dispose thereof.

In the cases of (i) to (vii) above, we shall furthermore have the right to claim compensation of the damage incurred due to the defective delivery / improper supplementary performance as well as of the costs and expenses incurred by us or our customers insofar

as they assert claims against us. Apart from potential costs of disassembly / reintegration, such compensation shall particularly include lost profits, recall costs, costs of process interruptions (including line standstill) etc. Claims for damages cannot be asserted if the Supplier is not responsible for the defective delivery.

12.2. Handling of Deliveries in Case of Merely Partial Quality Inspection

12.2.1. Voluntariness of Tests, Definition of the Terms "Test Quantity" and "Basic Quantity"; Treatment of the Parts Actually Examined

Subject to the provisions of Clause 9, we are entirely free vis-à-vis the Supplier as regards the performing of quality controls (upon receipt, processing or outgoing of merchandise). If we effect such tests with respect to a partial quantity randomly chosen for this purpose ("Test Quantity") from a certain delivery lot ("Basic Quantity"), the regulations of Clause 12.1 above shall apply to any parts identified as defective in this process. Parts are deemed to be defective among other things if within such a Test Quantity substances are found that are not suitable for the envisaged purpose known to the Supplier or which are impermissible in accordance with the applicable norms, or if the minimum contents of certain prescribed substances is not reached or the maximum contents of certain substances exceeded, or if the Test Quantity in any other way does not insignificantly deviate from the agreed or otherwise relevant specifications. In case of doubt, the Supplier is obligated to inquire about the purpose envisaged by us in a timely manner. The parts identified as flawless within such test quantity can (only) be returned by us subject to our rights according to Clause 12.2.2 below (against refund of the purchase price), if the relevant partial quantity is not of interest to us (e.g. due to the quantity being too small).

12.2.2. Treatment of the Parts *Not* Tested; Extrapolation from the Test Quantity to "Defectiveness" of the Relevant Basic Quantity

If at least two Test Quantities drawn independently show a defect or if only one Test Quantity shows a serious defect, we shall be entitled apart from these Test Quantities to deem the entire rest of the Basic Quantity from which the Test Quantities were drawn as "defective".

In any case, a serious defect in the above mentioned sense shall exist if the material delivered contains traces of cadmium and/or asbestos or substances or parts which give rise to the suspicion of being radioactive or explosive.

12.2.3. Applicability of Clause 12.2 in Case of an Accumulation of Defects in the Field

This Clause 12.2 shall be applicable mutatis mutandis if after delivery of the parts / systems field returns / complaints on grounds of defects of these parts / systems show a serious defect in terms of Clause 12.2.2 within a rolling 12-month period or exceed a ppm value agreed upon in the individual case or, in the absence of an agreed ppm value, exceed a ppm value of 20 (due to the same or different defects). The ppm value is calculated by dividing the quantity of defective parts by the quantity of delivered parts / finished products within the same 12-month period.

12.3. Industrial Property Rights of Third Parties

The Supplier warrants that in connection with the delivery no industrial property rights of third Parties are infringed. If claims are asserted against us by third parties in connection with products delivered on grounds of the infringement of third-party industrial property rights, the Supplier shall be obligated to indemnify us from any such claims. The Supplier's indemnification obligation also comprises all reasonable expenses incurred by us in connection with the claims asserted by a third party. We will inform the Supplier without delay if a claim has been asserted by a third party. Insofar as an indemnification is granted, the Supplier shall, at its own due discretion, be entitled to take the appropriate measures of legal defense or for being granted the necessary rights of use. Our legal claims, in particular claims for damages, shall remain unaffected thereby.

12.4. Non-Conclusive Character of the Above Regulations

Other legal claims on our part in case of defects in quality and defects of title are not affected by the above regulations. In addition to the above provisions, we shall, in particular, be entitled to claim compensation of the damage and expenses incurred by us due to a defect in quality or a defect of title or which are invoiced to us by a customer.

12.5. Statute of Limitation for Claims for Defects (Warranty Period)

Claims out of liability for defects in quality and defects of title shall become time-barred at the earliest 36 months from receipt of the parts by us.

For replaced parts the original warranty period shall start to run anew upon receipt of the new delivery respectively reintegration.

In contrast, the following shall apply to repaired parts: The period of limitation shall basically end at the same time as the original period of limitation, however, it shall at least be six months from completion of the repair. For defects of the kind that had to be repaired, the period of limitation, however, shall begin to run anew upon completion of the repair.

13. Minimization of Damage by Defense Against Claims of Third Parties

If claims for damages are asserted against us by one of our customers which are due to or based on the defectiveness of the parts – assembled or not – delivered to us by the Supplier, we shall, vis-à-vis the Supplier, not be obligated in connection with the mitigation of the damage, to invoke the objection of § 377 HGB (lacking notice of defects) or of the statute of limitation towards the customer as long as the notice of defects was made within 2 weeks from occurrence of the damage and the commencement of the statute of limitation does not date back more than 3 months. If our customer is a company which accounted for 20% or more of our sales in the relevant product area in the preceding year, we are still not obligated to invoke this objection if the above prerequisites are not fulfilled, insofar as a refusal to compensate the damage asserted would seriously jeopardize the business relationship with the customer.

14. Provisions

If for the purpose of processing, refinement or manufacture of the products to be delivered by the Supplier, we provide the Supplier with metal supplies, scraps, primary materials, precursors or semi-finished products (jointly "Scraps"), the following shall apply:

14.1. Refinement made by the Supplier for us shall be carried out in compliance with our instructions and on our behalf as well as in our economic interest in such a way that only we and not the Supplier shall be deemed as manufacturer in terms of § 950 BGB (German Civil Code).

14.2. The Supplier is obligated to properly record all provisions made indicating kind, quantity/weight, date of provision and date of use and shall immediately at our request provide us with a current inventory. After prior announcement we shall at any time during ordinary business hours be entitled to inspect the provisions at the place of storage.

14.3. In case of the initiation of insolvency proceedings regarding the Supplier's assets, the Supplier shall, at our request, at any time furnish us with information regarding the identity of the other customers with a positive balance on the tolling accounts at the time of initiation of such proceedings as well as regarding the amount of such balance.

14.4. At the same time our approval to the processing of the existing Scrap on stock shall expire upon initiation of the insolvency proceedings. In the name of the entire community of customers (§ 744 para. 2 BGB, German Civil Code), we herewith in this case already now prohibit the Supplier the further processing.

14.5. Instead of asserting our claim for separation and surrender of the fraction of scrap metal inventory that is our property from the Supplier's total scrap metal inventory, we may, by corresponding written statement, in whole or in part, declare set-off of our claim against the Supplier's claims. Our claim for surrender of the inventory shall at this point in time be converted into a claim for payment according to § 45 Insolvenzordnung (German Insolvency Code) to the degree set off has been declared.

15. Product Liability, Indemnification, Third-Party Liability Insurance

15.1. The Supplier shall be obligated to indemnify us from any claims asserted by third parties on grounds of defects in terms of the Product Liability Law insofar as the part delivered already showed the defect or the causes thereof upon delivery to us (passing of risk) and the Supplier itself is liable under product liability law vis-à-vis the third party. Rights of recourse out of § 478 respectively § 445 a (from January 1, 2018) BGB (German Civil Code) shall remain unaffected thereby.

15.2. Within the framework of Clause 12.1 above, the Supplier shall also be obligated to compensate possible expenses that may arise out of or in connection with a product recall carried out by us.

15.3. We shall – insofar as feasible and reasonable – inform the Supplier with regard to the contents and scope of the recall measures to be effected and give the Supplier an opportunity to comment.

15.4. The Supplier is obligated to maintain an appropriate product liability insurance corresponding to the risk to be insured and to provide evidence thereof to us at any time.

15.5. Further claims shall remain unaffected by the above regulations.

16. Offset

The Supplier acknowledges that we place the above order in compliance with our existing or future offset obligations or such obligations of other companies of the Diehl Group (§§ 15 et seqq. *Aktiengesetz* (German Companies Act)). If necessary, the Supplier is prepared to confirm this vis-à-vis the competent offset authorities and within reasonable bounds to make and receive declarations that may be necessary for the order to be accepted as an offset transaction as well as to perform the pertinent actions (e.g. fill in forms and/or make oral or telephonic confirmations).

17. Force Majeure

Force majeure, Acts of God, labor disputes, operational interruptions for which we are not responsible, riots, measures by authorities and other unavoidable events release us from our obligation of timely acceptance of the merchandise for the duration of such circumstances. Should such circumstances persist for a not insignificant time and result in a decrease in demand on our part – also because of replacement procurement being necessary in the meantime –, we shall – notwithstanding our other rights – be entitled until expiration of one month after the end of such circumstances to entirely or partially withdraw from the contract.

18. Compliance

The Supplier shall safeguard that its employees and other persons employed by it / contracted by it within the framework of the business relationship with us refrain from doing anything that might result in a criminal liability of such employees / persons on grounds of fraud or embezzlement, bribery, corruption or other corruption offences or offences against free competition and shall in every respect encourage a law-abiding conduct of its employees / other persons contracted. In case of a violation of the above mentioned obligation, we shall, after having warned the Supplier and unsuccessful expiration of a reasonable deadline for remedial action, within 2 weeks from unsuccessful

expiration of such deadline, be entitled to extraordinarily terminate individual or all business transactions with the Supplier and to break off individual or all negotiations. The prior warning and granting of a deadline is dispensable under special circumstances which, weighing the mutual interests of the parties, justify immediate termination; in this case the extraordinary termination can be declared by us within 2 weeks from our gaining knowledge of the violation. Notwithstanding the foregoing, the Supplier is obligated to observe all laws, official and other regulations applicable to it and the business relationship with us, as well as the General Business Principles of the Diehl Corporate Group which are published on the website www.diehl.com under „Corporate Compliance“ and are on request made available separately in printed form.

19. Adherence to EU-Regulations / Dodd-Frank Act

For each product the Supplier is in every respect obligated to adhere to the requirements and obligations of the REACH Regulation of the EU (VO (EU) No. 1907/2006 of December 18, 2006), the CLP Regulation of the EU (VO (EU) No. 1272/2008 of December 16, 2008) and the RoHS Regulation of the EU (RL 2002/95/EU of January 27, 2003) as amended from time to time (including the respective alterations and amendments to these acts of law and, insofar as already effected, their transformation/implementation into national law by the EU member states). At our pertinent request, the Supplier shall issue corresponding written product-specific declarations of conformity which shall also be valid vis-à-vis our customers and can be passed on to them.

The Supplier is furthermore obligated to promptly and to the best of its knowledge and belief provide all information requested by us or our customers as to whether any so-called conflict minerals from the DR Congo or its neighboring countries are contained in the delivered products in terms of the US-American Dodd-Frank Act and, as the case may be, render any further assistance for the purpose of complying with the Dodd-Frank Act which our customer may request. This shall apply mutatis mutandis insofar and as soon as a comparable set of rules comes into force within the EU.

20. Final Provisions

20.1. Place of Performance

The place of performance for all obligations is the delivery address indicated by us or, in the absence of such address, the business address from where our order was placed or the point of delivery that may have been agreed upon in line with a separately agreed Incoterm (Incoterms 2010 respectively the latest INCOTERMS version applicable at the time of conclusion of contract) deviating from Clause 8.

20.2. Applicable Law and Jurisdiction

a) <u>In case of EU and Norwegian Suppliers:</u>

With regard to Suppliers with a registered seat in the EU, these Terms and Conditions shall exclusively be governed by and construed in all respects in accordance with German Law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and of its conflicts of law. The competent courts of Nuremberg, Germany, shall have exclusive jurisdiction in respect of any dispute, action or claim which may arise out of or in connection with these Terms and Conditions.

b) <u>In case of Non-EU and Non-Norwegian Suppliers:</u>

With regard to Suppliers with a registered seat outside the EU and outside Norway, these Terms and Conditions shall exclusively be governed by and construed in all respects in accordance with Swiss Law to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and of its conflicts of law. All disputes arising out of or in connection with these Terms and Conditions shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (ICC). The place of arbitration shall be Zurich, Switzerland. Arbitration shall be held in the English language.

c) <u>In case of Chinese Suppliers:</u>

With regard to Suppliers with a registered seat in the PR China, these Terms and Conditions shall exclusively be governed by the laws of China to the exclusion of the Convention on Contracts for the International Sale of Goods (CISG) and of its conflicts of law. Any dispute arising from or in connection with these Terms and Conditions shall be submitted to the China International Economic and Trade Arbitration Commission (CIETAC) for arbitration which shall be conducted in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration. The place of arbitration shall be Beijing, China. The arbitral award is final and binding upon both parties. The arbitration shall be held in the English language.