

General Purchasing Conditions Dr. Hönle AG

§ 1 General – Area of application

- (1) These purchasing conditions are applicable exclusively; general business terms and conditions of the supplier conflicting with or deviating from these purchasing conditions of Dr. Hönle AG are only recognized insofar as Dr. Hönle AG expressly agreed to their validity in writing. These purchasing conditions also apply if Dr. Hönle AG, while being aware of the supplier's contradictory conditions which deviate from these purchasing conditions of Dr. Hönle AG, accepts the delivery from the supplier without any reservations.
- (2) All agreements on supply and performance which are concluded between Dr. Hönle AG and the supplier are to be recorded in writing in the corresponding contract, as are any supplementary agreements. Verbal agreements, in particular amendments and supplements to Dr. Hönle AG's purchasing conditions - including the requirement for written form - as well as collateral agreements of any kind must be confirmed in writing by Dr. Hönle AG to become valid.

§ 2 Quotation – quotation documentation

- (1) If the supplier does not accept an order from Dr. Hönle AG within a period of two weeks of receipt, then Dr. Hönle AG is entitled to cancel the order.
- (2) Cost estimates are binding and free of charge unless agreed otherwise in writing.
- (3) Dr. Hönle AG retains the ownership and copyright of diagrams, drawings, calculations and other documentation which are handed over to the supplier or which are prepared according to specifications of Dr. Hönle AG; they may not be reproduced or sold, pledged as collateral or made accessible to third parties or used for third parties without express permission in writing from Dr. Hönle AG. They are to be used exclusively for manufacture on the basis of the order placed by Dr. Hönle AG; once the order has been processed, they are to be voluntarily returned to Dr. Hönle AG. They are to be kept confidential from third parties. The confidentiality obligation shall survive the completion of an order; it expires if and insofar as the information concerned contained in the illustrations, drawings, calculations and other documents has become generally known other than as a result of a disclosure in violation of this confidentiality obligation.

§ 3 Price – payment conditions

- (1) The price given in the order is binding. In the absence of a deviating written agreement, the price includes delivery to the agreed place of use or specified shipping address, duty unpaid, including packaging („DDU“ according to INCOTERMS 2010). Return of packaging requires a separate agreement.
- (2) The legally applicable rate of VAT is not included in the price.
- (3) Invoices can only be processed by Dr. Hönle AG if they state the order number as specified in the order from Dr. Hönle AG; the supplier is responsible for all consequences of failure to comply with this obligation, providing he does not prove that he is not liable for this.
- (4) Unless otherwise agreed in writing, Dr. Hönle AG will pay the remuneration within 14 days, starting with receipt of delivery and invoice with 3% discount, or within 30 days of receipt of invoice net. Payment is subject to invoice verification.
- (5) Dr. Hönle AG is entitled to rights of offset and retention as stipulated in law.

§ 4 Execution of the Order, Additional Services and Obligations, Dodd-Frank-Act

- (1) The supplier shall be accountable to Dr. Hönle AG for the goods/services in every step of the process and with regard to all of the elements of the goods/services irrespective of whether the supplier has engaged third parties to render the goods/services. In executing the order, the supplier shall comply at the time of acceptance with all statutory laws of the Federal Republic of Germany and other provisions applicable in the place where the goods/services are to be delivered.
- (2) The supplier must check any documents handed over, also with regard to the local conditions, for their correctness and, as the case may be, the execution of preliminary work by third parties. The supplier must notify Dr. Hönle AG in writing of any doubts or objections whatsoever without undue delay, stating the reasons, and must reach an agreement with Dr. Hönle AG about the continuation of the work.
- (3) The supplier is obliged to deliver solely products to Dr. Hönle AG and its subsidiaries, which do not include conflict minerals within the meaning of the applicable version of the Dodd-Frank Act (conflict of materials, particularly tantalum, tin, gold and

tungsten from the DRC or neighboring countries). If requested, the supplier is obliged to confirm in writing in German and in English language to Dr. Hönle AG or, if the supply relationship is with a subsidiary of Dr. Hönle AG, to the relevant subsidiary, the compliance with this provision promptly. To the extent required, the supplier shall submit a written statement with respect to the raw materials used and their origin under disclosure of the entire supply chain.

- (4) The supplier must call off any material to be supplied by Dr. Hönle AG in sufficient time and in the amount necessary to ensure proper execution of the order.
- (5) In executing the order the supplier shall, without any additional remuneration, take all measures that are considered necessary to achieve the underlying object of the agreement, even if said measures were not expressly stated when the order was placed. These include in particular the procurement of all necessary equipment, indirect materials and facilities.
- (6) The supplier warrants that the supply of replacement parts for machinery and equipment, ordered by Dr. Hönle AG, is guaranteed for a period of ten years as of the date of acceptance.
- (7) The supplier shall document all tests carried out in the course of executing the order and the results thereof and, in so doing, a clear allocation to the respective goods/services must be ensured. The documentation must be kept for five years from the date of acceptance and made available to Dr. Hönle AG upon request.
- (8) The supplier may subcontract only with prior written consent of Dr. Hönle AG.
- (9) The supplier shall have the right to set-off against Dr. Hönle AG's claims or a right to assert rights of retention only if and to the extent that the supplier's claim is undisputed or its counterclaim has become final and absolute.

§ 5 Changes and Additions

- (1) If the supplier is obliged to perform work (Werkleistung) or to supply labour and materials (Werklieferung), Dr. Hönle AG can at any time up until acceptance demand changes and additions to the order as it sees fit and having due regard for the interests of the Supplier. The Supplier is obliged to suggest changes to Dr. Hönle AG, which it considers necessary or useful with respect to successful performance of the contract. It shall also execute said changes following written consent by Dr. Hönle AG.
- (2) If a change entails an increase or reduction in cost and/or the missing of a deadline, the supplier shall be obliged to point this out at the same time as its suggested change or without undue delay following receipt of Dr. Hönle AG's change request and to submit a corresponding revised tender. The change shall be made on the basis of a written agreement stipulating the remuneration for the additional costs, or the allowance for the reduced costs, as well as the time schedule.
- (3) If the basis for the remuneration for the contractual services or part of the supplier's services is altered due to the change, the remuneration pertaining thereto must be adjusted by agreement taking into account the additional or reduced costs.
- (4) If a change makes necessary any services of the supplier, which are not provided for in the contract, the supplier shall have a right to additional remuneration provided said additional remuneration is agreed prior to performance of the additional service. The additional remuneration shall be determined in accordance with the basis for calculating the price for the contractual services and according to the special costs of the additional service required.

§ 6 Delivery time - force majeure

- (1) The delivery time given in the order is binding.
- (2) The supplier undertakes to immediately inform Dr. Hönle AG if circumstances occur or he becomes aware of circumstances that would result in jeopardizing the agreed delivery time.
- (3) In the case of default in delivery, Dr. Hönle AG is entitled to make statutory claims. In particular, Dr. Hönle AG has the right to claim for damages and rescission of the contract after a suitable period of time has unsuccessfully passed instead of performance. If Dr. Hönle AG claims for damages, then the supplier has the right to prove to Dr. Hönle AG that he is not liable for the breach of duty.
- (4) The unconditional acceptance of the delayed delivery or service does not constitute a waiver of claims to which Dr. Hönle AG is entitled due to the delayed delivery or service; this applies pending full payment of the amounts owed by Dr. Hönle AG for the delivery or service in question.
- (5) Force majeure, industrial conflict, operational disruptions without fault, disturbances, measures taken by the authorities and other unavoidable events entitle Dr. Hönle AG - without prejudice to other rights - to withdraw from the contract in whole or in part, providing these events are not of an insignificant duration and result in a considerable reduction in the requirements of Dr. Hönle AG.

§ 7 Passage of risk – Acceptance of the suppliers work - documents

- (1) The supplier bears the material risk until delivery of the goods to the carrier at the location at which according to the order the goods are to be delivered.
- (2) If the supplier is obliged to perform work (Werkleistung) or to supply labour and materials (Werklieferung), a formal acceptance is necessary. The acceptance shall be recorded in a formal acceptance certificate. Any and all acceptance fictions are hereby excluded (e.g. § 12 No. 5 German Construction Contract Procedures Part B (VOB/B)).
- (3) The supplier undertakes to state the precise order number from Dr. Hönle AG on all shipping documents and delivery notes; if he does not do so, then Dr. Hönle AG is not liable for delays in processing.

§ 8 Claims for defective goods and recourse

- (1) Dr. Hönle AG shall notify the supplier without undue delay of any defects in the delivery as soon as they have been asserted in the proper course of business. In this respect the supplier agrees to waive its right to plead that a notice of defects has been given belatedly.
- (2) The provisions of the statute on material defects and defects of title are applicable insofar as not otherwise provided for in the following.
- (3) Dr. Hönle AG shall in any event be entitled to demand that the defect first be rectified free of charge or that the subject matter of delivery be delivered free from defects. Dr. Hönle AG always has the right to select the type of supplemental performance. If the supplier is late ("Verzug") with this, Dr. Hönle AG can rectify the defect itself and demand reimbursement of the necessary expense. The supplier has the right to refuse the type of supplemental performance selected by Dr. Hönle AG subject to the conditions given in § 439 paragraph 3 German Civil Code.
- (4) Any notice of defects by Dr. Hönle AG interrupt the warranty period with regard to the defective part delivered. The warranty period shall start to run afresh for the part concerned following the corresponding rectification of the defect.
- (5) If any costs are incurred by Dr. Hönle AG as a result of the defective delivery of the subject matter of the contract, in particular transport, travel, labour or material costs or costs of a receiving inspection exceeding the normal scope of the control, such costs shall be borne by the supplier.
- (6) If Dr. Hönle AG takes back any products manufactured and/or sold by Dr. Hönle AG as a result of the defectiveness of the subject matter of the contract supplied by the supplier, or if the purchase price paid to Dr. Hönle AG has been reduced because of this or claims have been made against Dr. Hönle AG in any other way for this reason, then Dr. Hönle AG retains the right of recourse against the supplier, whereby it is not necessary for a time limit to be set pertaining to the warranty claims of Dr. Hönle AG which would otherwise be necessary.
- (7) Dr. Hönle AG is entitled to claim reimbursement from the supplier for expenses which Dr. Hönle AG had to bear in relationship to its customers because the customer has a claim against Dr. Hönle AG for compensation of the expenses incurred due to supplementary performance, in particular transport, travel, labour and material costs.
- (8) Statutory limitation does not occur in the cases under provision of § 8 paragraph (6) and § 8 paragraph (7) until at the earliest two months after the point in time at which Dr. Hönle AG has fulfilled the claims its customers has made against it, at the latest however five years after delivery by the supplier.
- (9) If within six months of the passing of risk a material defect appears, then it is assumed that the defect already existed before the passing of risk, unless this assumption is inconsistent with the type of goods or defect.

§ 9 Product liability – exemption – liability insurance protection

- (1) In the event of Dr. Hönle AG being claimed against on the basis of product liability, the supplier is obliged to indemnify Dr. Hönle AG from such claims, providing and inasmuch as the damage was caused by a fault in the subject matter of the contract supplied by the supplier. In cases of liability independent of fault however, this only applies if the supplier is liable. Provided that the cause of loss is in the supplier's area of responsibility, then he bears the burden of proof in this respect.
- (2) Within the framework of his liability for occurrence of damage within the meaning of paragraph (1), the supplier is also obliged to reimburse any expenses in accordance with §§ 683, 670 German Civil Code or in accordance with §§ 830, 840, 426 German Civil Code, which result from or in connection with a product recall carried out by Dr. Hönle AG. Dr. Hönle AG will inform the supplier about the content and extent of the product recall - as far as possible and can be reasonably expected - and will give him the opportunity to comment. All other statutory claims remain unaffected by this.
- (3) The supplier undertakes to maintain product liability insurance with an insured sum of € 5 million per personal injury/material damage – lump sum; if Dr. Hönle AG is entitled to any further claims for damages, then these remain unaffected by this.

§ 10 Intellectual Property Rights and Rights of Use

- (1) The supplier shall ensure that the goods/services rendered by the supplier are free from third-party intellectual property rights, which could preclude or impair Dr. Hönle AG's use of said goods/services and that Dr. Hönle AG has the authority to pass on the corresponding rights of use.
- (2) The supplier shall indemnify and hold Dr. Hönle AG harmless from any and all third-party claims, including the claims of any copyright authors involved, which may be asserted against Dr. Hönle AG because of the use of the goods/services rendered by the supplier. This does not apply insofar as the supplier neither knew nor could have known of the existence of rights of third parties. The supplier shall, as far as possible, conduct any necessary legal disputes itself, in its own name and at its own cost. This is without prejudice to Dr. Hönle AG's right to demand damages and to rescind the agreement in accordance with the statutory provisions.
- (3) All of the rights of use under copyright law, industrial property rights and legal rights similar to intellectual property rights attaching to the services rendered under this contract for work and services and created in connection with the implementation of the contract and attaching to all other written, machine-readable and other work results created in connection with this agreement shall automatically pass to Dr. Hönle AG upon creation without any further conditions and without any additional consideration. Dr. Hönle AG shall be entitled exclusively thereto without any limitation in terms of geography, time and content and Dr. Hönle AG can extend, assign, revise, adjust, modify, reproduce or publish the aforementioned without the consent of the supplier.
- (4) Use of the subject matter of the Agreement is free of charge for Dr. Hönle AG. Dr. Hönle AG is granted the right to apply for a patent for patentable development results.

§ 11 Retention of title – provision of material – tools

- (1) Inasmuch as Dr. Hönle AG makes parts available to the supplier, it retains ownership of these. Processing or transformation by the supplier will be carried out for Dr. Hönle AG. If Dr. Hönle AG's reserved property is processed with other items not belonging to Dr. Hönle AG, then Dr. Hönle AG acquires co-ownership of the new item in proportion to the value of our item (purchase price plus VAT) to the other items processed at the time of processing.
- (2) If Dr. Hönle AG's reserved property is irreversibly merged with other items not belonging to Dr. Hönle AG, then Dr. Hönle AG acquires co-ownership of the new item in proportion to the value of the reserved property (purchase price plus VAT) to the other items merged at the time of processing. If the composition is such that the supplier's item is to be seen as being the main item, then it can be said to be agreed that the supplier assigns proportional co-ownership to Dr. Hönle AG; the supplier holds sole ownership or co-ownership for Dr. Hönle AG in safe custody.
- (3) Dr. Hönle AG reserves the right to ownership of tools; the supplier undertakes only to use the tools for manufacturing the goods ordered by Dr. Hönle AG. The supplier undertakes to insure the tools belonging to Dr. Hönle AG against damage from fire, water and theft at their replacement value at his own expense. Simultaneously the supplier now already assigns all claims from this insurance for compensation to Dr. Hönle AG; Dr. Hönle AG hereby accepts the assignment. The supplier undertakes at his own expense to punctually carry out all necessary maintenance and inspection work on the tools belonging to Dr. Hönle AG and also all servicing work. He immediately has to report any incidents to Dr. Hönle AG; if he culpably refrains from doing so, then claims for damages remain unaffected by this.
- (4) Inasmuch as the security interests that Dr. Hönle AG is entitled to in accordance with paragraph (1) and/or paragraph (2) exceed the purchase price of all reserved property by more than 10%, then Dr. Hönle AG undertakes on demand by the supplier to release the security interests of its choice, as far as the 10% is exceeded.

§ 12 Supplier liability in accordance with the German Electrical and Electronic Equipment Act [ElektroG]

- (1) All products supplied to Dr. Hönle AG or one of its subsidiaries or associated companies by the Seller comply in all respects with the requirements of the law on placing a product on the market, repurchasing and environmentally compatible disposal of electrical and electronic equipment ("ElektroG") in the respective applicable version and do not contain any materials in concentrations or applications which are prohibited from being placed on the market after 01.07.2006 in accordance with the ElektroG in the respective applicable version. The supplier undertakes to inform Dr. Hönle AG of changes in concentrations or application of products immediately. In this respect the Seller indemnifies Dr. Hönle AG and also its subsidiaries and associated companies from absolutely any claims of third parties in the case of infringement of the foregoing provisions. This indemnification also covers demands made against Dr. Hönle AG and its subsidiaries and associated companies as a consequence of the forfeiture of fines and administrative offence facts.
- (2) The supplier shall register chemical substances contained in the deliveries according to the laws applicable in the affected market (e.g. EU Regulation EC / 1907/2006, shortly referred to "REACH") and if necessary, get a license for them or declare them. If a chemical substance is imported into the EU, the supplier takes responsibility for all of the above obligations and thus related costs. The supplier is obliged to immediately forward any information relating to the supplies and ingredients, even after

they already have been delivered, and to give any confirmations that are required to ensure that Dr. Hönle AG meets its legal information requirements (e.g. REACH Art. 33) in full and on time.

- (3) The supplier is obliged to ensure appropriate contractual arrangements with its subcontractors to require that the stipulations according to this § 12 are observed.

§ 13 Social Responsibility

- (1) The supplier is obliged to comply with the principles of the Global Compact Initiative of the United Nations (UN). These mainly relate to the protection of international human rights, the right to collective bargaining, the elimination of forced labor and child labor, the elimination of discrimination in hiring and employment, the responsibility for the environment and the prevention of corruption. Further information about the Global Compact UN Initiative is available at www.unglobalcompact.org.
- (2) It shall be the supplier's goal to require a commitment of all its subcontractors and sub suppliers to comply with the rules set out in this § 13.

§ 14 Group-Set-off-Clause

- (1) Dr. Hönle AG is entitled to set-off with all claims of Dr. Hönle AG or any company on which Dr. Hönle AG directly or indirectly holds shares of at least 50 % (hereinafter referred to as "Dr. Hönle Group"), against the supplier. It does not matter whether the respective claim is matured or unmatured or arises only in the future. The same applies to claims of the supplier has against Dr. Hönle AG or one of the companies of the Dr. Hönle Group. The supplier receives necessary information about the status of the Dr. Hönle Group upon request.

§ 15 Miscellaneous

- (1) Place of jurisdiction of all legal disputes which result directly or indirectly from contractual relationships based on these purchasing conditions is Munich, Germany. However Dr. Hönle AG is entitled to take the supplier to court as he sees fit at the court at the supplier's domicile or the supplier's branch or at the court of the place of performance.
- (2) The law of the Federal Republic of Germany applies. The terms of the CISG are ruled out.
- (3) Should any terms of these conditions and the other agreements reached be or become ineffective, this does not affect the validity of the conditions in other respects. The contracting parties undertake to replace the ineffective term by one which comes closest to attaining its desired economic success.
- (4) This English language version of the General Purchasing Conditions of Dr. Hönle AG is a translation of the original German language version of the purchasing conditions of Dr. Hönle AG ("Allgemeine Einkaufsbedingungen Dr. Hönle AG"). If there are any contradictions or inconsistencies between the original German language version and this translation, the German language version shall prevail.